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Supplement

Central Eurasia

Russian National Security Concept for 1994

FBIS-SOV-94-038-S
Friday
25 February 1994

**Central Eurasia
SUPPLEMENT**

Russian National Security Concept for 1994

FBIS-SOV-94-038-S

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25 February 1994

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PM2402070194 Moscow OBOZREVATEL-OBSERVER
Special Supplement in Russian 1993 (signed to press
14 Dec 93) pp 3-173

[Table of Contents and select chapters from special
supplement of journal OBOZREVATEL-OBSERVER:
"National Security: Russia in 1994"]

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To the Reader

The Federal Assembly is beginning its work at a crucial
and dramatic period of Russia's history. The decisions to
be adopted by the legislative and executive organs of
power will, to a large extent, determine not only Russia's
future but also whether we will remain plunged into
crisis or whether a slow and painful recovery will begin—
this is the question. Let us recall that 1992 has gone
down in Russia's history as the year when mortality rate
exceeded birth rate for the first time ever in peacetime.
The situation deteriorated still further during the first
nine months of 1993—deaths have already exceeded
births by 500,000. The existence and survival of the
nation itself is in jeopardy.

Before a cure can be started, it is necessary to arrive at an
accurate diagnosis, in other words to appraise soberly
and without prejudice the situation in which the country
finds itself. To understand the causes of such tragic
events. It is necessary to abandon the habit of making
analysis and appraisal fit in with the goals pursued by
different political parties. The interests of the country
and of the people as a whole must, at long last, come to
the foreground in deed and not just in words.

On this basis it will become possible to take the path
toward accord between different political forces. After
all, due to the existing split, it is impossible to elaborate
a correct policy and pool efforts to implement a joint
program for extrication from the crisis.

The following must be one of the main principles of state
policy at this stage: Protection of the country's national
interests on the basis of science, pragmatism, and
national accord.

The authors' collective does not in any way claim that
the material it offers is consummate or complete. We
have attempted to identify approaches toward the solu-
tion of problems. Some of them are only outlined in the
text. The important point is that those in whom the right
to make decisions is vested should be given an opportu-
nity to choose from the broadest possible range of sub-
stantiated proposals.

Unfortunately, today there are frequent occasions when
incorrect and wrong decisions are not only proposed but
are also adopted, with the consequence that the state and

society suffer afterwards. In order to avoid this, it is necessary to encourage by all possible means the elaboration of various drafts and options for political decisions by independent experts and submit them for broad discussion.

Such an approach is especially important when working on the complex problems of the state's security and development strategy since many important questions have hitherto been studied and practically resolved in isolation, and this has caused and continues to cause enormous harm. It would seem, for example, that the correct decision to attain parity with the NATO countries has resulted in a sharp weakening of economic security. The pursuit of gross indicators and the lack of a systematic and intelligent concept of the habitat have produced ecological disasters with the most serious impact on the biosphere as a result of anthropogenic activity (Chernobyl, territories in the Far North, and virtually all industrial regions).

All this was apparently undertaken for the sake of the security of the country as a whole, although it had a negative effect on it, let alone the irrational expenditure of vast quantities of material resources.

Look at the latest examples. While talking about conversion, we have in reality ruined the military-industrial complex, withdrawn from the world arms markets, and are now incurring huge foreign currency losses because the market has been captured by the Western countries.

To curb inflation.... How could anyone object to this? But the methods used to implement this concept have become one of the factors paralyzing the economy, which has led to strikes and the shutdown of enterprises with all the ensuing consequences.

Neither the president, nor the Federal Assembly, nor the government, nor any other state organ, comprising the most competent and experienced people, could elaborate in depth and comprehensively consider and adopt substantiated decisions on questions of state security unless the sessions of these organs are preceded by a thorough scientific elaboration of the problems under consideration.

There is also a need for consultations with scientific institutions and leading scientists and specialists. A series of questions also require international cooperation, because in our time it is impossible to contain the elaboration of security problems only within the national framework.

History has proved that it is impossible to achieve security for the country and peace and tranquillity for its citizens by military force alone. This is easy to comprehend if the term "security" is extrapolated to the individual, the nation (the people, the state), and the international community.

A nation can achieve tranquillity and function normally only if it is confident that it will not be subjected to

devastation by war and that it will not die out from an AIDS epidemic or as a result of an ecological crisis; that its economy will undergo stable development and will not only save the country from famine and ruin but will also prevent any potential aggressor's illusions about the likelihood of winning a war against it; that a developed system of legislation and legality will protect the nation from unbridled crime and will ensure the harmony of the interests of all strata of society, of all peoples of Russia, and of each individual.

In this special supplement to the RAU Corporation's information and analysis weekly OBOZREVATEL-OBSERVER, experts from centers and authors of the journal offer their own alternative strategy for Russia's extrication from the crisis. It is meant for people elaborating and adopting political decisions or actively participating in their preparation. Primarily for deputies of Russia's Federal Assembly. Thus, this supplement is a concept of Russia's development in 1994 and a kind of digest of ideas and materials by the Corporation's creative collectives.

With most profound respect for our subscribers, readers, and opponents,

[Signed] Doctor of Historical Sciences A. Podberezkin, RAU Corporation president and academician of the Russian Academy of Natural Sciences

National Security: Russia in 1994

Today, more than ever before, we need a critical analysis of the path we have traversed and a clear objective for society's further development. After all, we find ourselves at an historical crossroad: There is no turning back, but we still have to choose the new road. Within a very brief period of time, the country has moved from one historic period to another:

- there has been a radical change of state structure;
- an end has been put in Russia to the previous political system, which was underpinned by the CPSU's monopoly of power and ideology;
- a headlong change is under way in the correlation of forms of ownership in Russia and, correspondingly, in the entire system of social interrelations;
- there is a growing accumulation of interethnic contradictions within Russia and of problems with former USSR republics which are now sovereign states;
- there has been a fundamental change in Russia's position in the world community and in its mutual relations with foreign states.

In this context it is necessary to clearly define the current and long-term Russian national interests which correspond with the interests of individual citizens and of society as a whole. It is necessary to highlight those on which the very existence of our state depends.

In our view, the main point today is to prevent the weakening and collapse of the Russian State. But how is this to be avoided?

Having defined the priorities, it would be expedient to elaborate a program of reforms in the interests of society as a whole and not in the interests of individual groups. This program will obviously be nationwide. It must be comprehensible, realistic, and pragmatic, it must not be burdened by any political bias. Citizens have the right, and even the duty, to know what kind of "bright" future they are offered, how will reforms be implemented, and how long they will take. They are fully entitled not only to ask questions about all this but also to altogether disagree with the proposed program and ultimately to demand an account of the government's activity.

The way to national accord must be sought on the basis of respect for the individual and each citizen's rights regardless of party, religious, or national affiliation.

What we need today is a government capable of finding a way out of the crisis. Only a program geared to the needs of the majority of the population will enjoy the population's support. This is also the only way to achieve the consolidation of all progressive forces. It is necessary to curb inflation, restore confidence in the ruble, and create a normally functioning financial-state mechanism geared to support for producers rather than for dealers.

How do we propose to begin?

FIRST, to abandon the excesses of political struggle and to strengthen legality, law and order, and elementary executive discipline without which any power is doomed to anarchy, in other words to strengthen the state.

SECOND, to undertake a series of measures to improve living conditions for the Russian Federation's citizens, and primarily for the least well-off section—pensioners, children, the sick, and those unable to work.

THIRD, to uphold Russia's unity and its economic and political independence.

FOURTH, to revive Russia's spiritual potential.

THE MAIN THREAT is the weakening of power and statehood. Any weakening of any of the branches of power means the weakening of power and statehood as a whole. It is extremely shortsighted to sow the branch on which you are perched. It would be much wiser to reciprocally strengthen the representative, executive, and judicial branches of power.

We offer for your attention an analysis of the situation and a package of measures to strengthen the state.

Section I: I. Preservation of Civil Peace, of an Integral and Independent Russian State

1. Preservation of Civil Peace and Accord

Armed conflicts and local wars are increasingly often waged along Russia's borders. The fatherland is on the

threshold of a war which could begin either on its borders or beyond them. It has, in fact, already begun. Therefore, the main task today is to prevent its escalation into all-out war. For this purpose we need primarily national unity and accord. No matter how the situation in the country may develop, it is impermissible to make the state dependent on "victory" by different views or political forces. Politicians and their ambitions, even the most outstanding ones, come and go, but Russia lives on. Any political victory would turn into defeat if a blow is dealt on statehood and society slides toward confrontation.

It is impossible to achieve stability and accord in society unless an end is put to the division into "ours" and "theirs," into "correct" and "guilty." There is already widespread use of the terminology and methodology of psychological warfare, which are used during preparations for the conduct of combat operations against opponents who will have to be sooner or later destroyed. The division of citizens into "victors" and "vanquished" is a state crime, because it leads directly to civil war.

In order to avoid this and halt this movement toward direct confrontation, leading politicians should be made to, first, abandon personal (party) interests in the conduct of affairs and promote state interests to the foreground. Second, to find within themselves the courage to cease the endless search for "enemies" and declare the responsibility and repentance of all for the catastrophe which has befallen Russia. Our history shows that precisely this spiritual-moral approach has always underpinned Russia's extrication from crisis.

In this context it is necessary to impose a direct legislative ban on the propaganda of enmity equating it with calls for civil war, and introducing penalties for the publication of unverified information detrimental to the state and to civil peace (but without preventing journalists engaging in criticism based on facts). Democracy and its principles must become a means for strengthening rather than weakening the state.

Not a single political force can or should claim to be absolutely correct, and consequently to exercise absolute power. It is necessary to consolidate all forces in society without dividing them into "reds," "whites," "browns," and so on. This approach has proved pernicious for our statehood over the last few decades.

The economic chaos today has been compounded by interethnic conflicts, the collapse of moral foundations and cultural heritage, and finally the crisis of political power.

Instead of a middle class which, in all civilized societies, comprises the scientific, technical, and creative intelligentsia, skilled workers, and entrepreneurs, we have created a minute privileged stratum of dealers while the remaining strata are undergoing headlong lumpenization. At no time and in no place has this path ever created a reliable support for democracy and state power in society. It is paradoxical but for many years on end the

state has pursued an antistate policy aimed at the disintegration and elimination of its most important institutions: the Army, national domestic policy, and the state security system.

The most acute problems facing the state today are:

a) to prevent a civil war; b) to strengthen the state institutions; c) to prevent Russia's collapse; d) to overcome the socioeconomic crisis and save the nation; e) to preserve science, culture, and education.

Cadres pose an especially acute problem. When promoting people to the levers of state administration, society envisages a system of measures to train administrative cadres. All over the world (including prerevolutionary Russia), any citizen who wishes to become a professional politician has to go through the school of upbringing, education, and practice before he is allowed access to political activity in local organs of power. In order to be launched into state-level orbit, the candidate has to climb a long ladder of practical work and training. In the United States, before a citizen can hold prominent office, he is polished in a prestigious university and in the course of work abroad, in the ministries (including the State Department and the CIA) or party apparatus, in Congress, and so on. The result is a skilled functionary meeting the needs of his society's ruling circles, but even here mistakes cannot be avoided.

The polarization of political forces and their growing confrontation (taking the most uncivilized forms in Russia) not only did not end with the elimination of the Russian Federation Supreme Soviet, but are actually intensifying. The election campaign considerably stimulated this process. Consequently, it is probable that one section of the ruling elite will succeed in crystallizing into a clearly defined party structure which will attempt to establish control first over the government and then over the president, *de facto* reviving the one-party political system. The accession of such a party to power will, in turn, inevitably lead first to a clash between the president and the Federal Assembly, and then to a leadership struggle within the ruling party itself. Unfortunately, the history of the USSR and the CPSU offers us numerous tragic examples of such development of events.

In this context, from the state's point of view, there is need for measures for legislative and political regulation of party activity, making provision for temporary suspension of the activity of all parties and sociopolitical organizations in the event that the nature of their political activity becomes damaging to the state's security.

This kind of decision—and this is of fundamental importance—must be made and monitored by the supreme organs of state power subject to one immutable condition: Political decisions must under no circumstances become the prerogative of executive and monitoring organs like the MVD [Ministry of Internal Affairs], the Ministry of Security, the Prosecutor's Office, and so on. In our view, the ideal authority to make such decisions would be the judiciary.

The real strengthening of the authority and potential of the judiciary must become a priority task in Russia's state building.

Basing our analysis on the supreme interests of the state and the nation, we have concluded that firm authority is needed today. The most effective, indisputable, and bloodless form for Russia could be an interim presidential rule monitored by the Federal Assembly.

If we were to leave aside political bias and the ambitions of political leaders and forces desiring to make capital out of discord in Russia, we are confident that many of our fellow citizens would agree: Even an imperfect leader of the nation is better than a group of political leaders looking primarily after their own interests and corrupt elements straining to come to power.

During the most difficult times in Russia's history (feudal strife, invasions, the Time of Troubles), the country emerged victorious having mobilized all its resources and the spiritual potential of the masses under a single leader's leadership. The Soviet era was no exception, seeing that Stalin's dictatorship was objectively a positive factor of victory in World War II and of the country's reemergence from the ruins.

The press occasionally writes that Russia today feels not only the urgent need but even the inevitability of the appearance of an authoritarian regime capable of extricating the country from the crisis.

Some people assume that Russia has already taken this path and therefore the question is not how to avoid a transition to authoritarianism but to choose its most acceptable form and the method for transition. We, it is said, have already diverged from the possible forms and norms of a developed democratic state in the transition period. It is therefore necessary to accept this fact as an objectively existing reality and, second, to try and find a method—peaceful and the one most acceptable for the state—of transition to one of the more preferable forms of authoritarianism.

This assumes that new qualities will be demanded of the representative of the authoritarian form of rule: Leader of the nation rather than of a party; staunch defender of the state and its interests rather than leader of reformers; a builder rather than a destroyer, in other words a major revision of the priorities and values which have been dominant in the last few years.

The list of these character qualities could be logically extended to include a serious change in the disposition of political forces: The transformation of recent allies and friends into political opponents and the obverse—the attraction of broad strata of professionals and specialists not committed to any one political party or movement.

It may happen that, instead of authoritarianism, we could end up with incessant struggle, intrigues by different groupings, parties, and juntas, and attempted coups—with the State and the Nation at stake. Any such

struggle, which has become an accepted form of existence for these leaders and a part of their essence, will inevitably and for a long time to come hinder and delay the stabilization of the situation in the country and will weaken our might.

The country's earliest possible extrication from the crisis and the gradual formation of durable democratic foundations of a civil society are important for Russia because real democracy is possible only in a society where there are no mortal threats against the State and the Nation.

2. Improvement of the Federal Structure, Prevention of Regional Fragmentation

What should Russia be like following the disappearance of the superpower—the Soviet Union—from the world map? Its former Constitution calls it the Russian Federation. But is this really true?

A genuine federation is possible only when two or several states are united and, as a rule, it is based on lasting integration without the right to "secede." The autonomy of a union state's components is guaranteed insofar as it does not threaten the state's unity. Precisely this principle was used in forming the majority of federal states existing today: the United States, Switzerland, Canada, Germany.

True enough, some other states also style themselves as federations—Argentina, Brazil, Mexico, Venezuela, India, and Spain, for example. Essentially, however, they are unitary states with a certain amount of autonomy for their provinces—pseudofederations in the classic sense of the word. World experience has shown that a durable federal state is possible only when it is formed by autonomous states keen to unite by dint of various vitally important reasons. More recent historical examples already prove that any attempts to create a federation out of immature national and territorial formations inevitably engender instability and disintegration, which swiftly lead to the collapse of newly formed states or the formation of a unitary state.

The Soviet Union was a federation only in name, proclaimed by its Constitution, but in essence was, in our view, a typical pseudofederation. It is well known that a treaty between a series of republics was concluded in 1922. But, in the strict juridical and legal sense, not a single one of the components agreeing to the union was a state.

As for the RSFSR [Russian Soviet Federal Socialist Republic] as one of the contracting parties to the creation of the USSR, from the very beginning it was also a pseudofederation—both in form and in its inner composition.

The conclusion of the Federation Treaty in its present form did not solve the problem, either. With whom did the Federation components conclude the treaty? With

the federal state structures, to be precise. If they represent a single state, it emerges that the Russians—its numerically largest people, comprising more than 80 percent of the population—are dispersed among the Federation components since their own statehood is not even mentioned. Furthermore, Tatarstan and the Chechen Republic did not sign the Federation Treaty, while the stance of a series of republics and regions as regards the distribution of powers is threatening the Russian Federation's unity. It is fair to ask: Is the newly emerging Russia not a worse variation of the same old pseudofederation?

It has to be objectively noted that, ever since the collapse of the Russian Empire, the ethnic Russians have been gradually losing their statehood.

This is the fundamental question of our community's development: In view of all that has been said above, will Russia be able to become a genuine federal state?

The fatherland's history contains several examples of attempts to impose a federal unification of territories—during the Kievan period right until the invasion by the Golden Horde, during the Suzdal-Muscovy period, during the Time of Troubles, and in 1917 right after the February Revolution.

It is, of course, possible today to blame the Soviet power for failing to take everything into consideration when forming the sovereign republics, but the main point is that many peoples acquired or restored their statehood precisely thanks to the Soviet power.

The pull toward integration and unity of the peoples of both Russia and the former USSR stems from numerous factors. The territory which they inhabit—Eurasia. Throughout the many centuries of their existence, these peoples have on many occasions united within state formations and have produced unique cultures and single spiritual areas. They perceive Eurasia as their "motherland-continent" whose fate is inseparable from the fate of each one of its peoples. Experience shows that whenever the Eurasian ethnic groups have failed to reach accord, their lands have become easy prey for aggressors. The struggle for Eurasia's repartition could disrupt the world geopolitical equilibrium and cause a global catastrophe.

Another common feature of Russia's peoples is the highly polyethnic nature of all newly formed states. Only six of the multitude of Russian peoples claim more than 50 percent of indigenous population in their republics (the Chuvash account for 69 percent, the Tuvians for 64 percent, the Komi-Permyak for 60 percent, the Chechen for 58 percent, the Buryat in Aga-Buryat Autonomous Okrug for 54 percent, and the Ossetians for 53 percent). The average "indigenous population" in all Russian Federation republics is 32 percent, and even less—10.5 percent—in autonomous okrugs. It is simply impossible to divide all this into some sort of state

formations. The following conclusion suggests itself: Russia's peoples are destined to live in one state—federal in spirit and form.

So, what are the ways to solve the national-state question in Russia? There are two main dangers apparent in the possible development of nationality processes today. The first is the uncontrolled explosion of Russian nationalism as a natural defensive reaction to the threat of Russia's fragmentation and to the insult of national dignity, taking the form of the Russophobia and chauvinism typical of some former Union republics and of individual national regions in Russia itself. But the establishment of nationalist dictatorships is no solution. The lamentable experience of such dictatorships and regimes in a series of states which emerged on the territory of the USSR offers convincing proof of this. Territorial and state collapse is, as a rule, the price that has to be paid for the triumph of "national ideas."

The second danger lies in the attempts to turn Russia back to its prerevolution state structure, dividing it into guberniyas. In practical terms, this would mean the forced colonization of national republics. The rights which non-Russian peoples have acquired can no longer be withdrawn or curtailed without tragic consequences for them and for the Russian nation. Russian or any other nationalism will not only lead inevitably to the destruction of Russia's integrity but will also render the statehood of these very peoples just a pipedream.

The ideal way to a genuine federal state is to conclude a full-blooded federation treaty between the republics.

Russia's krais and oblasts as Federation components must enjoy equal rights with the republics, with a possible subsequent establishment of new integrational formations (guberniyas, *laender*). The more extensive the level of self-government, the more lasting will be the real integration between Federation components, including the "Russian regions."

The comprehensiveness of this integration eliminates the problem of the Russian nation's possible "self-dismemberment" in the event that krais and oblasts are elevated to the level of republics. Thus, federalism could be founded simultaneously on the national-state, national-territorial, and territorial principles, which would be most in line with Russia's specific features. There is need to constitutionally enshrine the rights of national groups and the guarantees of cultural autonomy.

In this process it will be important to sensibly distribute powers between central and local organs of power and administration.

Since the two organs of power—parliament and government—combine all the original features of a multinational state in the persons of deputies and members of the government, they would appear to personify to a large extent the components of the Federation and their

peoples, and then the center's authoritarianism within the limit of its powers would be accepted with understanding.

On the other hand, authoritarianism in the form of a presidential republic in Russia's specific conditions could spark off conflicts which would be difficult to overcome and, in the event of the adoption of decisions which may be disadvantageous for some of its components, it may even prompt national agitation and protest.

Nonetheless, experience shows that, at critical moments in history, authoritarianism as a temporary measure may be necessary and, furthermore, justified.

The formation of a genuinely federal Russian state will offer an opportunity to revive the largely lost ties with nearby foreign countries. The timing and extent of this new rapprochement of peoples from the former USSR will depend primarily on Russia's stability and prosperity. This will happen sooner or later and, when it does, the Eurasian continent will see the emergence of a new community of free peoples and states, qualitatively different from all others in the past, mainly due to the genuine federal principle underpinning its building.

If oblasts, even enlarged ones (Ural Republic, Far East Republic, and so on), were to be given the right to have their own parliaments, constitutions, embassies, and so on, this would run contrary to both international experience and common sense. Any sovereignization of administrative oblasts in today's conditions will lead to the Federation's transformation into a confederation. In light of the current weakening of power, this would be the quickest way to the state's collapse with all the ensuing economic and social consequences which would be extremely serious for all. Evidence of this can be seen in the consequences of the Soviet Union's collapse.

A strengthening of separatism is also possible even if components do not formally secede from the Federation, something which can already be noticed today.

What attitude should be taken toward the striving of the leaderships of some sovereign republics to take advantage of the federal state's weakening so as to expand their rights still further and acquire a special status in the Federation, something like "associate" members?

Practice has convincingly confirmed that any excessive expansion of components' rights leads to a weakening, and even the collapse, of the federation. Cases of secession from the federation by joint accord of all interested sides are isolated (the State of Singapore from Malaysia). Other attempted secessions have usually been put down by force (the Sonderbund in Switzerland, the south rn states in the United States, Biafra in Nigeria, and so on) and, even if they did succeed on occasion, this was the result of military operations against the federation (the separation of Bangladesh from Pakistan in 1970). Naturally, this way to preserve the state's unity is unacceptable to us.

The states, laender, or provinces comprising federations abroad usually exercise only the rights which have been either vested in them by the central power or enshrined in the constitution on the basis of agreement between the components. There is a tendency toward curtailing the scope of these rights. They do not enjoy independence in international affairs. There are numerous instances when decisions by the supreme courts of such federations directly indicate that their components are not sovereign (Canada, Australia). In Nigeria, and with a view to blocking any ethnic separatism, the states' territory has been reshaped in such a way as to give them a nationally heterogeneous population mix.

Neither the Constitution nor the Federation Treaty of the Russian Federation makes provision for the components' right to secede from the Federation, and self-determination is exercised within the framework of a federal state which is not bound to unconditionally grant to a republic's population the right to separate, even if such a demand has been backed by the majority of the population in a referendum. Any such referendum is unlawful, and its results can have only a political, not a legal significance.

The threats to secede from the Federation which can be heard every now and again run contrary to both the Constitution and the Federation Treaty, therefore they have no legal effect, and—in our view—ought to be resolutely cut short.

Bearing in mind the vast advantages which the republics have already gained thanks to their membership of the Russian Federation, their leaders ought to abandon their attempts to further expand their rights to the point which is tantamount to secession, while the legitimate rights of republics and oblasts ought to be covered by additional treaties with the Federation. The force of law is better than the law of force—the law enabling its use.

The extent of Federation components' rights is determined not through barter or some sort of deal resulting in their curtailment or expansion. It is clearly predetermined by the demands stemming from the principle of self-determination: It is impermissible to expand the rights of components at the expense of the interests of other nations and all peoples of the Federation, which also enjoy these rights.

The principle of self-determination protects the interests of all peoples and curbs national egotism. This is precisely why it remains the basis of nationality policy both in the Russian Federation and in the world community.

Life has proved that any rejection of the Federation on a national basis is, in our country at least, impossible today. Further advance toward the Federation can take the form of more effective protection of individuals' national rights, education of people in a spirit of cooperation and solidarity, use of two or even three official languages, the strengthening of legality, and so on.

3. Elimination of the Seeds of Interethnic Conflicts

The present status of interethnic relations in the Russian Federation and throughout the former Soviet Union's territory can be described as a zone of ethnic calamity undergoing a complex crisis, where domestic and geopolitical factors are intertwined. The economy's normal structure is being destroyed (irreversibly in some places) and, from the strategic viewpoint, this is more dangerous than the simple slump in production to which attention is primarily drawn. State institutions are being denigrated, and there is a decline of confidence in them and in their authority, which underpins the legitimacy of any democratic power. This applies not just to any single branch of power but to state power as such, without any distinction being drawn between "progressive," "democratic," "conservative," legislative, executive, or judiciary. Their fruitless confrontation only aggravates the discrediting of the state and of power as such.

It appears that the collapse of the USSR was neither predestined nor inevitable, despite claims by the "architects" of the collapse.

The selfsame processes of disintegration are today gathering pace also in the Russian Federation. In addition to the most complex knots of interethnic contradictions we have inherited from the past, equally acute problems develop as consequences of the current state of the economy, social life, politics, and the law. These conflicts are reproduced with growing acuteness and on an expanding scale.

A most important role here is played by political and ideological factors. The shoots of democracy and of civilized economics and politics, together with the people's hopes for national rebirth, have in many instances become hostages of extremist forces, sundry political adventurers, and criminal and corrupt structures. Many national movements, which emerged as forces pursuing the goal of preserving and reviving their people's spiritual originality and ensuring their social, cultural, and linguistic survival, have now descended to political radicalism and extremism. Anarchy and squabbles at federal level lead to the emergence of would-be local dictators playing the card of separatism, which often conceals nothing but a yearning for absolute power.

The ideologists of national "revival" go to extremes in their relentless battle for power and for access to assets being privatized or key positions. They are trying to assert the freedoms and rights of one people by trampling the freedoms and elementary human rights of other peoples and of people from other nationalities living next door to them. The leaders of national-democrats, who until only yesterday accused the Union center—and at times even the whole Russian people—of colonizing them and trampling their national rights, are today cynically taking actions which transform people of other nationalities and primarily the Russian-speaking population into second-class people, into outcasts.

Experience shows that unless the nationality problems, with which the extremists speculate, are resolved "from above" in relatively civilized forms, they will be resolved "from below" in distorted forms.

Despite all the criticism of the Federation Treaty, it is a compromise, an attempt to consolidate the balance of interests. On the one hand, it is intended to guarantee the process of self-government by peoples living in Federation components against unjustified administrative-bureaucratic interference by the center while, on the other hand, it is intended to prevent any national or religious diktat on the state and offer a guarantee against any actions ultimately leading to Russia's destruction as an integral unified state. Encroachments against the Federation Treaty continue to this day. Its destruction will pave the way to a new round of political confrontation and fruitless struggle.

Russia's traditions, even under the toughest regimes, have always included the preservation of diversity in the self-government of peoples and territories.

This political diversity is attainable only if the nations' interests are painstakingly taken into consideration and coordinated, and if their democratic cohabitation within the Federation's framework is guaranteed. At the same time, consideration for this originality should not become a cover for infringement of the interests of ethnic minorities and of human and civil rights and freedoms. The coordination of interests and the achievement of agreement presuppose mutual responsibility by all parties—the federal power and the organs of power in republics and regions. A real obstacle to agreement is created not by the preservation of diversity but by the interests of narrow political and national elites pursuing goals which are far removed from their officially proclaimed ones.

On the geopolitical plane, interethnic strife only goes to promote the country's transformation into a raw-materials appendage of the world economy, a cesspool for the waste of mass culture, and a test site for ecologically dirty and dangerous technologies, and lead to loss of identity and of Russia's role in world politics. Integration in the world's culture must not have an obverse—scorn for one's own history and the national dignity of one's own peoples.

It would appear that people who determine policy in the mass media are deliberately implanting the idea of despondency and hopelessness, trying to convince their audience that we are living in an uncultured state and only thanks to the West's humanitarian aid.

A scornful attitude toward history and disregard for the traditions, forms of economic management, ways of life, and rights of peoples and individuals can be discerned in numerous constitutional and political innovations. The ongoing destruction of the single constitutional area is alarming. Whereas politicians find it easy to adapt to any conditions, ordinary citizens are falling victim to constitutional arguments and political disturbances, and the

price they are paying takes the form of loss of jobs, of property, and at times even of life itself.

The citizens' real participation in political decision-making is a most important political problem, on which the country's future democratic development depends. It is necessary to expand the opportunities enabling representatives of different peoples to publicize their own interests and their vision of the way out of the prevailing crisis. The representation of regions and republics as Federation components is not a proper substitute for the representation of peoples, be it at a constitutional conference or at some other forum. Suffice it to ask: How many peoples and how many Federation components do we have? After all, the interests of small peoples, divided peoples, and other communities must also be reflected in the constitutional and political processes.

There is a pressing need for a special forum of Russia's peoples to examine strategic, political, and legal questions from the angle of interethnic relations. Of course, this means not the restoration of totalitarianism but the restoration of the traditional, tried and tested values of the friendship of peoples, of values capable of rallying the representatives of all nationalities.

At present it is necessary to take advantage of any opportunity to halt the processes of disintegration and rally the representatives of various nationalities and political forces, parties, and movements around positive and constructive tasks. There can be no simple solutions to highly complex tasks although, unfortunately, illusions to this effect are still being nurtured at high levels of power. The solution of the nationalities question is one such super-complex task, demanding the mobilization of intellectual and political energy. Tomorrow the quest for acceptable solutions will be more complex, the price will be higher, and the costs will be great.

The actual transplanting of the philosophy of "national" state ("Russian," "Tatar," "Chechen," and so on) on Russian soil is potentially dangerous for interethnic peace in Russia.

The causes of conflicts vary:

- historical specific features of the formation of territories which have today proclaimed themselves independent republics (the sources of conflicts in the Dniester Region, in Ossetia-Ingushetia);
- the "automatic" recognition of state border status for administrative borders within the USSR is fraught with conflicts for all former republics;
- acute confrontation between lay and religious components in the new political elites and in former and new political groupings (Tajikistan);
- historically aggravated ethnopolitical problems (the Baltic countries);
- revival of historical territorial disputes (the Karabakh and Crimea problem)

- struggle around the problem of state languages (Ukraine, Kazakhstan, a number of now independent republics);
- disputes over the division of Union property, including Army property (Russia-Ukraine);
- ethnoconfessional disputes and trends toward the formation of theocratic states.

The cumulative outburst of national feelings following the release of communist "clamps" and the uncontrolled liberal democracy leading to extreme manifestations of militant nationalism underpin the growing national conflicts and clashes in the geopolitical area of the former Soviet Union.

It is possible to forecast three models for the development of potential meganational conflict in the future.

The first is associated with the exacerbation and growth of ethnic conflicts with differing typology. The lowest common denominator comprises violent armed attempts to reshape the existing ethnopolitical area. It is obvious that this development leads to disintegration of all political, social, and technological ties (contemporary Yugoslavia is an example).

The second model is associated with the reintegration of totalitarianism. This violent way of dealing with the nationality problem can take the form of military-nationalist regimes ("ethnojuntas"). The most negative consequences would stem from the establishment in Russia of a nationalist regime with the coming restoration of a neo-imperial system throughout the geopolitical area.

The third model is the sole peaceful alternative, presupposing a democratic development. Ethnic tension is eased through the building of federal states in a series of former Union republics on a democratic rather than a national basis. In this process, ties between the independent republics could be built according to the model of "permeable" and tolerant sovereignty. The desire to prevent an economic collapse in post-Soviet states and a complete break of technological ties between them and to ease pressure by the "Russian factor" in former Union republics will intensify in the face of the threat that nationalist regimes may be established.

It would be possible, within the third model's framework, to halt the catastrophic disintegration of the "Union" economic area and to prevent the violent armed dismemberment of the single ethnic area on the territory of the former USSR.

In our view, it is from these positions that the Russian state position on the question of the "Russian diaspora" in nearby foreign countries must be elaborated. The USSR's disintegration has shifted the Russian nationality problem onto a new plane. In the "imperial" Union, the Russians played the role of the ethnic integrational components of Union statehood. At the same time, an "expansion" of the Russian ethnic habitat occurred within that state's framework (more than 50 percent of

migration flows in the USSR involved the movement of persons of Russian nationality).

For the first time ever in Russia's entire history we have witnessed a breakdown of the Russian ethnic area on a massive scale, which in itself is fraught with potential conflicts. In several instances the currently independent states are forming not democratic but purely national states. This inevitably leads to large-scale discrimination against the Russian population. We see a "Russian problem" emerging before our very eyes, a problem which involves:

- artificial dismemberment of the formerly common Russian ethnic area;
- transformation of a considerable mass of Russian population in nearby foreign countries into either "second-class" citizens (this began everywhere with the laws on state languages) or altogether stateless persons;
- the squeezing out of Russians from a series of newly formed states;
- potential nationality conflicts in these states and intensification of Russophobia;
- inevitable emergence of Russian national movements in these states;
- fusion of these movements with a Russian national (or nationalist) movement in Russia itself;
- transformation of the "Russian problem" into a decisive factor of domestic political struggle in Russia.

Two extreme opposites are possible in the development of this process:

- a) large-scale interethnic conflict (a series of national wars) across part of the former USSR's territory with the ultimate establishment of a nationalist neo-imperial Russian domination;
- b) further disintegration of Russia itself along nationality lines, which would render the future of Russians as a single people extremely uncertain.

A third option would be desirable and would result in the minimum possible conflicts. It presupposes:

- establishing in the post-Union geopolitical area not a national but a multinational statehood taking the form of democratic federations (wherever conditions for it exist);
- abandoning the absolute form of asserting the sovereignty of the "indigenous nation" and switching to positions of tolerant sovereignty of the whole people and all ethnic groups;
- squeezing out of power any extremist nationalist groups (which has partly happened in Lithuania, for example);
- forming an active Russian democratic political factor in all post-Union states;

—pursuing a purposeful and thoroughly considered Russian policy on these questions.

The following guidelines for Russian policy are possible:

1. Introduction of state bilingualism in all newly formed states (primarily in Ukraine, Kazakhstan, Belarus, Moldova, Latvia, and Estonia).
2. Active support for the creation and consolidation of Russian-speaking communities including, in several cases, their cultural and national autonomy.
3. The granting by nearby foreign countries of dual citizenship on request to all persons who are citizens of Russia by birth, as well as to Cossack representatives.
4. Support of initiatives to form local national organs of administration and create Russian national local "communal administration" in places densely populated by Russians.
5. Appropriation of funds to support Russian culture and education (creation of Russian and Slavic universities, schools, newspapers, and so on).
6. Pursuit of a tough policy, even including economic sanctions, toward former Soviet states where civil rights are violated; adoption of a standard "package" of guaranteed rights and freedoms for all citizens of the republics, including the Russian population, with provision for the granting of preferential economic treatment (especially in relations with Latvia and Estonia).
7. A stepping up of Russian foreign policy efforts in support of justified demands for the observation of human rights and freedoms in nearby foreign countries.
8. Immediate signing of agreements with former Union republics on questions concerning citizenship, protection of national minority rights, migration, legal aid, pension provision, reciprocal recognition of educational diplomas, opening of consulates.
9. Regular reviewing of positions taken by leading political forces in the republics on the "Russian problem."
10. Elaboration of short-, medium-, and long-term programs for the solution of the "Russian problem" throughout the post-Soviet geopolitical area.

These are just a few reflections on the conflict-free resolution of the "Russian problem." It is obvious that the Russian leadership will have to be prepared for counterdemands in connection with ethnic problems on Russian territory.

4. Russia Within the System of Newly Independent States

Following the Union's disintegration into 15 so-called Newly Independent States (NIS), the words written by political scientist D. Simov (NEWSDAY) are still valid today: "...the 'evil empire,' where power was based on violence and compulsion, has been replaced by several

evils: the emergence of interethnic hatred and the clashing ambitions of different political elites. Millions of people have suddenly been deprived of a community. In these conditions, they have come up against intolerance and extremism. Bloody wars, accompanied by thousands of victims, are raging in different parts of the former Soviet Union."

It can hardly be expected that peace, prosperity, and tranquility will come to Russia or the other NIS in 1994.

Thus, according to data of the U.S. Department of Defense Defense Intelligence Service, there are forecasts of 12 potential armed conflicts on the territory of the former USSR. It is estimated that 523,000 persons may be killed in military operations during these conflicts, 4.24 million may die of diseases, 88 million may be hit by famine, and the number of refugees may reach 21.67 million.

Ensuring their own safety and that of their families and friends is becoming an increasingly typical problem for Russians. Whereas this problem worried 31 percent of Muscovites in May 1993, this figure had already risen to 42 percent in September.

The economy is aggravating the situation, and it is still hard to expect any swift and major changes for the better here. Indeed, according to IMF data, virtually all basic indicators in the NIS had declined by an average of one-fourth in comparison with 1989-1990, while consumer prices increased 1,284.6 percent in 1992; in 1993 the volume of GDP will decline by 13.7 percent and prices will increase by 940.6 percent. In Russia: GDP declined by 12.9 percent in 1991, by 18.5 percent in 1992, and by 14.9 percent in 1993; monthly inflation in the Russian Federation stood at 18 percent in 1993.

Unemployment in Russia will affect 3.5-6 million persons according to government data and 10-11 million persons according to International Labor Organization data; the number of people employed in material production in Russia will be reduced by 26 million in 1991-1995, according to forecasts by the Russian Academy of Sciences National Economic Forecasts Institute.

The restoration of the protective and reproductive functions for Russians is the sovereign state's basic task.

In what forms should these functions be restored on a new basis? On the basis of democracy and market relations.

However, commitment to democracy and market relations by itself is not a state idea which can unite multinational Russia in a unified state. The birth of specific methods of transformation, just like of a state idea, is painful nowadays, having to fight through the complexes of the past and the contradictions of the present.

The basic criteria in this process could be the minimization of social losses; the spiritual, humanitarian, and moral

orientation of transformations; and the balancing of the interests of the world community and of the Russian Federation's peoples.

Today, just like in 1991, Russia is facing the task of how to really become sovereign. An analysis of the past two years shows increasingly clearly that not a single one of the NIS, including Russia, was prepared either politically, or economically, or psychologically for sovereign existence.

The end of 1991 saw the formation of 15 protostates without borders, armies, monetary systems, infrastructures, state or national interests, full-blooded economies, and so on. It ought to be concluded that, even today, not a single one of these states is "full-blooded" in this sense. Consequently, in 1994 just as in the two preceding years, their development will be determined by the following blocks of problems:

- a) completing the formation of sovereign states with all state attributes;
- b) creating an effective system of mutual relations between the NIS;
- c) joining the political, military, economic, and other systems existing in the world.

"Openness" presupposes meeting the other states halfway, establishing new mutual relations with them, and expanding the sphere of these relations. Conversely, sovereignization of each NIS and its separation from the Union would mean drawing away from its former neighbors in the "communal state," a certain stepping up of autarky, breakdown of existing ties, and alienation.

This contradiction determined the logic of mutual relations between the NIS, which developed in two opposite directions.

First, there was an increasingly noticeable manifestation of interstate relations: establishment of customs regimes and borders. Most republics—the Baltic countries, Ukraine, Kyrgyzstan, Moldova, Georgia, Azerbaijan, Belarus, Kazakhstan—are introducing either national currencies or ersatz money on the basis of autonomous emission. The financial system is being structuralized. Balances of payments and trade are being determined, the former USSR's foreign debt assets and liabilities are being divided, debt accounting is being established, and so on.

Second, integrational feelings are growing, or at least the desire for an early break is weakening, in most former republics (except Latvia and Estonia, and partly Lithuania and Turkmenistan).

Nonetheless, today it is still premature to talk of integration or disintegration. What we are observing for the time being is the coexistence not of the NIS but of real authorities at different levels in these NIS. For example, how is it possible to treat as part of Russian-Kazakhstani relations the tripartite political-economic "union" of

Kazakhstan, Tatarstan, and Bashkortostan, which was signed in August 1992 and under which Bashkortostan ceased delivering oil products to Russian departments?

In 1994 it will be necessary either to make efforts to place Russia's relations with the NIS on the firm basis of international law, or to create "suprastate" structures with powers of authority.

It is more than likely that both forms will develop. In the immediate future, the formation of civilized relations between the NIS will be influenced by the following factors:

- the incomplete disintegration of the USSR, as a result of which the subjects of interstate relations have not been finally defined. It is possible that their number may be either increased (if separatism intensifies in Russia, Moldova, Georgia, Ukraine, and so on) or reduced (if the processes of integration are intensified). Two fundamentally different principles are clearly manifest: the national-territorial (separation into autonomous republics and national-territorial formations) and the regional (separation into purely Russian regions).

Analysis shows that the Russian Federation's disintegration will hardly end up as a "sovereignty bandwagon" of autonomous formations. The "indigenous" ethnic groups represent even a relative majority in only 11 out of the 31 national-territorial formations.

Separatist moods are intensifying in proper Russian regions: in the Far East, the Urals, Kuban, Siberia. This has not been observed either in the NIS or in East European countries.

The following forecasts can be made for 1994:

- retention of an economy with a price structure out of kilter with world prices. In 1993 Russia supplied products to the NIS at prices equivalent to 30-40 percent of world prices while purchasing from them at prices equivalent to 70 percent of world prices, and consequently Russia had a positive balance of about 750 billion rubles in trade with the NIS in the first six months;
- deterioration of the situation of ethnic Russians in the NIS, having become an ethnic minority there. The situation is being aggravated by the fact that virtually all the NIS, being multinational, have opted for the nationalist idea in strengthening the state.
- "lukewarm" attitudes of the world community, primarily of the G-7 countries, toward individual NIS and the structure of mutual relations prevailing in the post-Soviet area. It ought to be noted in this context that, first, in 1992-1993 the majority of NIS lost their illusions about Western aid but certain hopes remained that some would be integrated within the EC while others would draw closer to Asian countries and would enjoy their support; second, there is a steadily growing economic dependence on the West; and third,

there is an increasingly clearly manifest tendency by the West to pursue mainly its own interests in relations with the NIS (for example, squeezing Russia out of the arms market and other technology markets, increasing purchases of energy sources from Russia at the expense of deliveries to nearby foreign countries, and so on).

Several systems of collaboration between the NIS will be formed in 1994. In one way or another, priority is being given to the problem of structuralizing the geopolitical area with the aim of boosting stability in the region and the management of political processes.

5. Ways to Form a Civil Society

Terms like "civil society" and "citizens" have been increasingly actively used in our vocabulary recently, whereas in the past these terms were virtually unencountered in the mass media. And the word "citizen" was used primarily by law enforcement organs. At best it was taken to mean the juridical unit of the state system.

Civil society became the topic of study back in the late 17th and early 18th centuries, in the works of Hobbes, Locke, and Hegel. These thinkers perceived the possibility of a relatively autonomous social life existing outside state control.

There are two approaches toward the civil society in world science today:

1. As a package of social relations counterposed to the state, in other words everything that cannot properly be described as state, power, politics, and bureaucracy.
2. As a form of existence for a bourgeois (market-democratic) society.

We support the first approach.

Civil society is a systemic element of a single metasystem (society). It is that part of society which stands outside political authority, upholds primarily private interests, and guarantees the inviolability of private life.

Civil society and the state are two sides of one and the same coin. They complement one another.

Civil society includes:

- voluntarily and spontaneously formed primary self-governing communities of people (family, cooperatives, associations, economic corporations, public organizations, and professional, creative, sports, ethnic, confessional, and other associations);
- the totality of nonstate (nonpolitical) economic, social, spiritual, moral, and other public relations;
- the productive and private lives of people, their customs, traditions, and morals;

—the sphere of self-government of free individuals and their organizations, protected by the law against direct interference therein by state power and politics.

It is the civil society that destroys the statesmen's monopoly on power and balances state power with the power of private individuals and independent organizations.

A highly developed civil society in many advanced countries has ensured considerable protection of the private spheres of man's life against rigid regulation by the state. For this purpose, powerful protective associations have been formed within its structure (societies for the protection of human rights, societies for the protection of consumers, and so on).

Citizens of countries where a civil society has formed very rarely come in contact with their state. In the rest of the world, the population is forced into constant contact with it: The state constantly regulates something, it allows or bans things, even including people's place of residence and work, travel for leisure or education purposes, the acquisition of goods, and so on.

Following the October Revolution and the first steps in the implementation of the New Economic Policy [in 1921], our society adopted a line toward affirming genuine social protection for our working people. Generally speaking, despite all the complexities and deformities of subsequent development, these principles had a beneficial effect on our life. But left-wing orientations prevailed soon afterwards; a military-bureaucratic state was established in practice and the upper hand was gained by administrative power methods of government, bringing forth a series of phenomena alien to a civil society: global statization of economic and social life, mass repressions, and working people's alienation from ownership, the results of their labor, and political power. Virtually all citizens' associations which were not approved by the top were destroyed, banned, and driven underground already by the late 1920's. This resulted in undermining the economic and social foundation of the civil society's vital activity and in destroying its social sphere, thus leading to serious stagnation. But totalitarianism failed to completely destroy all the institutions of civil society. Some of its structures proved amazingly durable and adaptable.

We have to form a civil society as a ramified network of social relations and institutions independent of the state, expressing the will and protecting the interests of citizens. Bearing in mind the population's low standard of civil culture and the bureaucracy's resistance, this process will be extremely protracted and very painful.

These are the conditions of a civil society's vital activity:

- all its members must own specific property and the right to utilize it and dispose of it as they see fit. Thus, the foundation could be provided by privatization,

which will lead to the creation of self-organizing structures of small and medium businesses independent of the state;

- the existence of a developed and rich social structure, reflecting the diversity of the interests of different groups and strata. Life has confirmed that poverty and an undeveloped social structure have always provided a breeding ground for dictatorial regimes.

The social base of a civil society is the so-called middle stratum (middle class). It includes scientific, engineering-technical, management, and administrative personnel (not holding top administrative positions); salaried intelligentsia; urban and rural small owners (farmers); highly skilled workers; and some workers from the services sphere. The middle stratum in developed countries comprises 60-70 percent of the population. It is the middle stratum which not only ensures scientific and technical progress but also imparts economic and political stability to society;

- sufficiently high level of development of individuals themselves, their inner freedom, and the ability to participate in the civil society's institutions.

Civil society is a self-organizing and self-developing system. Society itself will, to a large extent, create favorable conditions for it either through the state or despite it. Through the state—via the adoption of necessary laws, the formation of democratic state structures, and the strict observance of universally accepted democratic norms and procedures by the state. This requires a strong state power. In the majority of European countries, civil society emerged in the conditions of authoritarian regimes actively supporting the institutions of civil society.

Its development can also occur despite the state—through the formation of counterweights within the Constitution's framework, taking the form of independent associations and mass media and of oppositionist public democratic movements. By creating institutions of self-government, civil society also takes on a series of state functions, which could promote stabilization in our country.

The building of a democratic society presupposes the narrowing of the sphere of state regulation of citizens' vital activity, rather than the opposite.

Civil society is the supreme stage and most modern form of human community. Progress is associated with the withering away of the state, with its being absorbed within a civil society.

6. The Status of Crime and Russia's Security

It is no accident that these two ideas have been juxtaposed. For a long time the concept of the struggle against crime in the country was officially built upon the "withering away" of criminal phenomena during the process of socialist and communist building. The struggle against it was assigned mainly to law enforcement organs, in

other words it was based on repressive criminal law methods. The prevention of crime, which was discussed at such length, was never properly launched. This soft approach toward crime as a phenomenon without any deep economic and sociopolitical roots only drove the problem deeper.

The law enforcement organs were forced to manipulate statistics by artificially inflating or deflating the real indicators.

Crime in Russia reached an unprecedented scale in 1992. About 2.8 million crimes were committed, and this figure included a more than 40-percent rise in the number of premeditated murders and an increase in the number of assaults and robberies by a factor of 1.6. The number of crimes per 100,000 members of the population increased from 1,467 to 1,857, in other words an increase by virtually one-third.

This trend persisted also in 1993, but the number of recorded crimes hardly reflects the true picture. According to some experts' estimates, recently there have been some 10-12 million crimes committed in Russia each year. The statistics do not include 80 percent of embezzlement cases, 90 percent of fraud cases, and the overwhelming number of rape cases.

Some 352,000 persons have been killed or maimed by criminals during the last four years. More than 172,000 persons have been killed in road traffic accidents and fires. These figures are comparable only with war casualties.

The criminal world is becoming more professional and is acquiring modern technology and weapons.

The rising crime poses a real threat to national security and the policy of implementation of reforms.

It is perfectly obvious that crime, like a mirror, reflects the general condition of our society and primarily of its foundation—the economy. Organized crime is becoming a special danger for society in the period of political and economic changes in the country. The Russian mafia is becoming more cruel and more brazen than its counterpart abroad.

More than 4,000 organized criminal communities have been exposed in Russia, including over 1,000 with international and interregional links. One out of every four groups is protected by corrupt functionaries in different structures. According to experts' estimates, these relations involve up to 40 percent of entrepreneurs and two-thirds of all commercial structures. So far the efforts to combat this growing threat have failed to produce any tangible results.

This threat has not even been legislatively defined. Therefore, we feel that the best possible definition is contained in the UN secretary general's report:

a) organized crime is the activity of associations or criminal individuals or groupings united on an economic

basis. These groupings are highly reminiscent of gangs during the feudal era, which existed in medieval Europe prior to the emergence of the state. Economic benefits are gained by the supply of illegal services and goods, or of legal services and goods using illegal methods;

b) organized crime presupposes conspiratorial criminal activity, an hierarchy of structures, and coordination of the planning and execution of illegal acts;

c) organized criminal groupings strive to establish a monopoly or an almost complete monopoly on the supply of illegal goods and services to consumers;

d) organized crime is not limited just to pursuit of obviously illegal activity or the supply of illegal services. It also includes sophisticated types of activity like money laundering via legitimate economic structures and manipulations effected with the help of electronic means. Illegal criminal groupings infiltrate many profitable legitimate types of activity;

e) the criminals organized within groupings use cruel methods like threats, violence, and corruption. These methods can be either sophisticated and refined or, conversely, gross, direct, and blatant. They are used to gain economic benefit through the establishment of monopoly on the supply of illegal goods and services or by infiltrating legitimate types of activity and corrupting officials. Thus, whenever persons involved in organized criminal activity start engaging in legitimate commercial activity, they normally bring into it the methods of violence and intimidation.

There is an expansion of criminal organizations in Russia, and this is preconditioned primarily by the growth of sociopolitical instability and the weakening of state structures in the country at a time when the new democratic institutions are still weak.

The new categories of criminal activity include:

- the illegal sale of weapons in conditions of instability both in Russia and in nearby foreign countries. The volume of illegal weapons sales has increased also as a result of ethnic and nationalist outbursts (Northern Caucasus, Georgia, Azerbaijan, Tajikistan);
- the theft of and trade in stolen cars;
- the theft of cargoes carried by railroad and motor vehicle transport;
- the embezzlement and illegal exportation of historical and cultural valuables;
- crimes committed with the help of electronic means;
- fraud associated with credit cards and other financial documents;
- the illegal disposal of dangerous waste;
- the trade in human organs;
- the "laundering" of illegally earned money;
- the embezzlement and illegal exportation of raw materials, energy sources, and rare-earth and nonferrous metals;
- the large-scale production of and trade in drugs;

- insurance frauds;
- money forgery;
- smuggling;
- fraudulent bankruptcies.

According to experts' estimates, the illegal circulation of drugs in the country amounts to 50-60 billion rubles a year, while more than 1.5 million Russian citizens regularly use drugs for nonmedical purposes.

An intensive process of fusing general criminal activity and economic crimes, drugs trafficking, and corruption is under way in the country.

There is no doubt that the negative effect of organized crime on our society is growing and affecting all its structures at individual, collective, and state levels, being a cynical form of lawlessness which maliciously violates citizens' rights and constitutional guarantees.

In this context, a special danger is posed by corruption and its consequences. The taking of illegal advantage of state office to gain personal benefit is a "breeding ground" for criminal groupings whose leaders consider the payment of sundry bribes to officials as one form of investing their funds.

We have at present a fine-tuned system of bribery in the credit-finance sphere, the trade network, transportation, and the organs engaged in foreign economic activity, licensing, and privatization. Going bribery rates have been established for allocation of land parcels, reregistration of enterprises, evasion of military service, assistance in concealing revenue from taxation, avoidance of customs regulations with impunity, and other illegal operations. Therefore, the corruption of officials from law enforcement organs and other state institutions engenders among the public profound mistrust in the authorities and undermines people's faith in the laws and the state.

Organized crime is manifesting a growing desire to infiltrate the country's economy. Arguments have been heard recently claiming that the investment of illegally earned funds in the legitimate economy would help its stabilization. But this is nothing but a myth. World experience shows that organized criminal activity destabilizes all economic spheres and disrupts the natural effect of market forces. The revenues of organized criminal groupings are sufficiently high, but these funds are withdrawn from normal circulation. All this gives urgency to the elaboration of specific long-term measures to combat organized crime.

Criminal groupings continue to actively penetrate society's social and political life. While pursuing their objectives, they are now influencing both election campaigns and the legislative processes by corrupting politicians and officials. Organized criminal groupings are also trying to extend their influence on the mass media. Thus, a process of organized crime's evolution into an antisocial system claiming leadership in the economy and in politics is now under way in Russia.

Some Conclusions

The unchecked spread of crime in our country is a consequence of the overall weakening of the state and its power structures. The solution of this problem is a statewide task, whereby the actual plan of struggle against crime must become part of a program for strengthening and developing the Russian state, based on nationwide accord.

Of course, the specific activity to curb and uproot crime must be conducted and improved in parallel with all measures to strengthen Russian statehood, but must be implemented much faster and more efficiently.

There must be no delay in elaborating and implementing this plan. The present conditions in Russia and the CIS countries are creating a situation which is unique in human history and typical only of the former USSR republics in the light of the specific economic and political aspects of their history, the contemporary period of transition, and the future prospects. Organized crime and corruption are most dangerous by dint of their destructive long-term consequences for the individual, society, and the state.

The accumulation of vast wealth by individuals and clans in the world of organized crime inevitably leads to the need to politically protect their interests. Hence the desire to control power in the state, bribe high-ranking officials, and promote the recipients of bribes to higher positions.

Russia and the CIS countries are experiencing a multiplication of established criminal communities which either have, or are in the process of establishing, a financial base for the attainment of their goals, major arsenals of weapons, hierarchical structures, far-reaching conspiracy, and rigid discipline with vertical subordination and the use of terror, even including the physical elimination of people.

Organized crime, relying on general criminal activity and corruption, is beginning to permeate all cells of society and the state organism, extending to vitally important centers and spheres: the economy, finance, science and technology, culture, the Armed Forces, and so on. Therefore, the plan for struggle against crime must be specifically geared without overlooking a single one of these spheres.

Organized crime recognizes no borders. It is increasingly becoming not only interregional but also transnational, and therefore the struggle against it requires the pooling of the world community's efforts.

The primary task is to create a firm legislative basis, enforce respect for the law, and ensure the law's implementation by all citizens, social associations, and state structures—primarily by the law enforcement organs themselves. For this purpose it is necessary to adopt the most radical measures, even though they may be unpopular. Russians will support them if they perceive that this

is not just another campaign but a state policy which really ensures the security of the individual and society.

Section II: II. Formation of Genuine Spiritual Principles and Values of the Russian People

I. Need for a National Idea

During the most critical periods of our fatherland's history, the nation has been saved thanks to the vast reserves of the Russian people's spiritual strength. A most important role here is played by the Russian idea.

The Russian idea comprises primarily Orthodox spirituality which is distinguished by its refusal to rationalize faith and its acceptance of God with the soul, with love, and with a selfless perception of beauty. It is underpinned by the concept of conciliarism [sobornost] as the unification of people for the sake of the Orthodox faith's revival and the fatherland's prosperity.

The Russian people's commitment to the idea of statehood is historically established. Only the moral authority of state power is capable of containing the anarchic quests for the kingdom of truth within the confines of the evolutionary path.

Another key aspect of the Russian idea is the universality of the Russian national character, in other words its tolerance for and acceptance of other ideas and traditions, its ability to coexist with neighboring peoples. In all probability, this quality is exploited, more than any other, by those who would like to dilute the universal love for one's neighbor into abstract universal human values.

There has been a long pressing need to start talking about statehood on a state level. By dint of its unique geopolitical situation, Russia has an opportunity to take its proper position in the community of the 21st century and turn into a really highly developed world power. One of the mistakes of our government, the president, and his entourage is the fact that they hardly ever discuss this with the people. The nation must regain its dignity, clearly perceive its historic prospects, and acquire confidence in its future and its own strength.

It is necessary for the idea of statehood to become state ideology and political practice and, ultimately, state policy. All citizens, state institutions, and branches of power must support the idea of statehood by all possible means.

The great Russian philosopher V.I. Solovyev emphasized: "Individual human beings and entire nations alike face the task of complementing each other without losing their originality but, on the contrary, expressing it to the utmost. The true unity of peoples is not homogeneity but pannonial spirit, in other words interaction and solidarity by all for autonomous and full life by all."

These are truly sacred words, calling for unity. Everything that has happened over the last few years is at times reminiscent of the flight of troops, abandoning behind

them to the vagaries of fate 25 million captives—Russians and Russian-speaking compatriots who have suddenly found themselves in alien countries nowadays dubbed nearby foreign countries.

Now, drawing parallels with the USSR, Russia itself is already "at breaking point." The question of its integrity and its future faces us with utmost urgency.

There are quite a few "time bombs" along the path which Russia has taken. The unequal status of peoples without their own statehood, and primarily the Russian people. The centrifugal tendencies stemming from the national-economic separatism of some Federation components. The growth of religious-nationalist separatism. Administrative borders are being reshaped at the will of irresponsible politicians and are acquiring the status of state borders, which history and the peoples will hardly accept.

Scientists and politicians pondering these problems today single out several paths and several models of development. They include dictatorship on an imperial scale, the emergence of numerous "ethnojuntas" and enclaves, spontaneous or artificially provoked outburst of Russian nationalism leading to the revival of unity by force and uprooting all separatist tendencies, military intervention by other states, artificial creation of a separate "Russian Republic," and enforced colonization of the ethnic groups and nations inhabiting the country's territory. And yet, some time ago, the Russian thinker I. Ilin warned: "Those who would dismember Russia...dream that, after the bolsheviks' fall, the citizens of united Russia will again slide into chaos and anarchy, will decompose their state with impunity...and, with total disregard for everything, will set up as many new 'statelets' as they fancy, each one of these new formations having its own army, currency, and diplomacy.... This is why they want to see the 'Russian national groups' discarding the existence of a single Russian people and state and, taking advantage of the postbolshevik chaos, bringing about universal arbitrariness and collapse...., they dream of turning Russia into a multiplicity of pitiful and strategically impotent pigmies—thus leaving it open to conquest and enslavement by western and southeastern states."

The guiding idea of "pannational spirit"—unifying, reconciling extremes along Russian lines, and creating conditions for peaceful democratic development—can lead to Russia's deliverance, revival, and future prosperity.

One of the main obstacles, in our view, is the fact that today's national-state structure of the Russian Federation does not guarantee the rights of different nationalities and does not promote the preservation of the state's integrity. Not all Federation components enjoy equal state-legal status. Some 100 nationalities living in Russia still have an undefined status.

Both national experience—the Russian Empire and the Soviet Union (despite all past mistakes and shortcomings of nationalities policy, this historical experience

contains much that is positive), and international experience—China, the United States, and Switzerland, offer much that is of interest in matter of state building. "All men are born free and equal in status and rights," according to the Universal Declaration of Human Rights. Each person must enjoy all rights and freedoms regardless of race, color, sex, language, religion, political or other beliefs, national or social origin, and class or other status. This should be the basis when forming the structures of a state system guaranteeing equality for all Russians.

A breakup of the Russian ethnos is now under way, or rather its violent split, with the formation in former Union and autonomous republics of Russian national minorities, at times accounting for up to 50 percent of the population, and this in itself is already fraught with catastrophic conflicts. Any attempts to concentrate in Russian communities the millions of people who have ended up as refugees in their own country or as the hostages of ambitious politicians, would have virtually the same result. Abandoned homes and hearths, migration of the work force which would be fatal for the national economies, grief and death for people. The years of labor by tens of millions of people are being erased as a result of the repartition of ethnic habitats.

Russian people, regardless of where they live and provided their national awareness is maintained, are the driving force of Russia's revival. The state strategy of the Russian great power must be based on the historical and spiritual heritage of its people. Russia will never be revived unless the world outlook and national awareness typical of our people are recreated.

2. The Role of Science. Russia's Scientific and Technical Priorities

The strategy of national security must take into account, as some of its most important priorities, the development of culture, science, and education as the foundations of the nation's development and spirituality.

History has proved that, thanks to scientific and technical progress, efficient socioeconomic growth has been graphically achieved by states with the most diverse social systems, territorial size, and reserves of natural and labor resources.

Virtually all industrial countries actively finance the institutions of national science, whether administered by state ministries and departments or the private sector. They create powerful centers for the gathering, processing, analysis, and dissemination of scientific information. They participate in capital construction and the outfitting of research centers and laboratories with modern equipment, reagents, and instruments. In the United States, for example, the federal government finances about 50 percent of the national total of expenditure on all scientific research and development and about 80 percent of the national total of fundamental scientific research.

The most important factor is the desire to enhance the science-intensiveness of the national product. The dynamics of prices in the civilized world market unambiguously proves the advantages of marketing the products of science-intensive sectors.

The state is aware of the priority of scientific and technical progress also as regards the fast pace of development of the "military branch" of the global scientific and technical revolution. Both today and in the future the state's defense capability will be determined by the qualitative parameters of arms and military equipment.

Today's world is on the verge of a new stage of the scientific and technical revolution, which will be distinguished by an even greater wealth of information. As competition forces the economies of advanced countries into an accelerated development of science-intensive sectors, the latter will increasingly supplant sectors based on the utilization of unskilled labor and energy- and materials-intensive production units. They require vast quantities of raw materials to ensure that their plants do not shut down—iron, steel, cement, timber, oil products, and so on. They are the main sources of pollution and other ecological problems on the planet. Furthermore, they need markets for the export of mass production output.

The economies of "third generation" countries will depend to an incalculable degree on the availability of territory suitable for agricultural production. In contrast with the "industrialized countries," they will not be so strongly dependent on their own sources of energy and foodstuffs. What they will need first and foremost will be knowledge—the actual "hard currency" of the era of the scientific and technical revolution. These countries will need access to and control of data banks and telecommunications networks. They need markets for commodities and services, management consultancies, computer programs, and financial and economic statistics. There will also be a need for reliable protection against piracy of intellectual property.

The main objective of Russia's scientific and technical policy is to ensure conditions, commensurate with the country's geopolitical and economic status, which would guarantee the fullest possible utilization of already accumulated scientific potential and its further growth in the interests of the development of the country's economy, its foreign policy positions, and its defense capability.

Social calamities have not bypassed the sphere of science, either. This is indicated primarily by the decline of its national-state prestige and the sharp cutbacks in finance for it. Expenditure on science has been reduced from 5.1 percent of national income in 1991 to 3.1 percent in 1993.

Is this accidental?

Its development has been mainly determined by the state's political stipulations. Science in the USSR has not always been a direct productive force, but it did remain

a factor of national prestige until just a few years ago. It was not customary in this sphere to consider expenses and take account of losses when performing state tasks, such as creating a powerful research and experimental base for nuclear physics, developing ICBM's, and exploring space.

Financial cutbacks in 1990 showed that the state was no longer capable of playing the role of a generous patron. There is a real danger of ruin for many famous scientific schools, creative collectives, and important scientific avenues which are a matter of national and worldwide pride.

At the same time, there has been a sharp deterioration in the already inadequate provision of material and technical backup for science. In this regard we have always lagged behind industrially developed countries and, while science in the West was retooling, the lag from which we suffered has turned into a gap which is difficult to close. By the late 1980's the fixed assets of science represented less than 2 percent of the national economy's fixed assets. The gap between the level of the material, technical, and information base and the tasks of modern science is one of the most substantial factors of the general crisis in Russia's science.

The economic decline in 1991-1993 has virtually eliminated our country's instrument making—it has proved to be unprofitable. There is no foreign currency to purchase imported instruments. The information backup for science can be said to be at almost zero-level, and Russia's scientists appear to be cut off from the world's data banks. More than two-thirds of polled leaders and associates of leading academic institutes in Moscow believe that the situation in this sphere is catastrophic. The mothballing of the existing material and technical base cannot be ruled out in the immediate future. Here we have reached a "lag threshold" beyond which any realistic activity within the framework of the world's scientific system would become problematic and even impossible along many avenues.

The numerical strength of specialists engaged in research work in the sectors of science and scientific services declined by approximately 12 percent in 1991 alone. The scientists' labor has been devalued. By the end of 1992, for example, their salaries were 30 percent less than the average in the national economy. According to Goskomstat [State Committee for Statistics] data, the "Science and Scientific Services" sector ranks only 11th out of the 13 basic national economic sectors. The situation has changed somewhat recently, but is far from stable.

Public opinion did not shift in the scientists' favor, either. The bulk of the population has always perceived them as social parasites. The situation was aggravated by the wholesale recruitment of scientific workers by the government apparatus and sundry commissions and committees.

All this prompted scientists to leave the confines of their laboratories and even the state's borders. The average

monthly number of cadres leaving the sectors of science and scientific services in 1991-1992 was double the number of new recruits. Postgraduate study has lost its prestige.

According to Russian MVD Visas and Registrations Administration data, taking into account only people who have emigrated on a permanent basis, 4,572 persons engaged in science and national education emigrated from the country in 1992 (7.8 percent of the total number of emigrating able-bodied adults). The ones who are leaving are, as a rule, either already established persons or the young and most promising ones. The youngest generation in Russian science will soon end up being a generation of 40-year olds. Using UN methodology, it has been calculated that the losses which Russia will incur as a result of the brain drain will amount to \$60-70 billion a year.

The development of Russia's statehood, economy, and society is inseparably linked with and, moreover, unimaginable without, the development of science. Given a sensible utilization of its potential, it is capable of enriching society and the state. But: Science in Russia, having taken the path of re-forming, was from the very beginning excluded from the number of spheres on which the top leadership and authorities at all levels focused their attention. The situation has also changed in the military-political sphere: The authorities' interest in the defense sector, including its fundamental basis—defense science which is nurturing many fields of knowledge—has significantly declined.

International experts recently drew the following conclusion: Russia's scientific potential represents its second-largest national asset after its natural resources.

The scientific prestige and creative potential of academic collectives engaged in fundamental research were created by many generations. We have no right to squander this capital.

It is clear that a natural integration is needed in the new economic conditions. We ought to concentrate on the assimilation of academic elaborations in the applied science sphere and provide various work and services of a scientific and scientific-technical nature helping the implementation of major projects. There is demand for highly professional expert evaluation of projects and elaborations, as well as for the development and utilization of training and information centers for the training and retraining of scientific cadres. Life has proved that many research workers are only vaguely aware of the key problems of the market—its requirements, the conditions of competitive struggle, questions of profitability, and so on.

Sectoral science, covering almost 70 percent of Russia's entire research infrastructure, has firmly embarked on market relations. But it has also suffered serious blows inflicted by market elements. The USSR Law on the State Enterprise, which also extended to sectoral scientific and technical organizations, failed to take into

account the fundamental differences between the process of creating scientific-technical output and the process of creating industrial output. Unfortunately, Russian legislation extended this tradition.

OECD experts offer radical methods: It is necessary to cut the number of persons employed in science and scientific services in Russia by two-thirds, to the level of 300,000, at the expense of sectoral science. Is this not a mechanistic approach?

There is also the inarguable conclusion that sectoral science is overweighted in favor of the defense, space, nuclear, and machine building complexes. The conversion now under way will actually solve this problem by gearing science in the defense sectors to civilian needs. Of course, there is a far from inarguable claim that the output of this complex is currently unsuitable for market conditions. On the contrary, we are obviously unwillingly—due to fear from competition—allowed to take advanced technologies to the world market where there is considerable demand for them. This is the essence of the Western "recommendations."

It is well known that the most significant discoveries in science occur at the juncture of its different sectors. It seems that the quest for the best possible organizational structures in science during its transition to a market economy must also be nurtured by ideas from both flanks—science and production. Any unilateral organizational and economic transformations are fraught with the loss of scientific potential.

Privatization in science is also necessary. But, as specialists assume, it must be regulated by the provisions of a special program based on general principles but also taking into account the specific features of scientific activity and geared to the efficient reorganization of the sphere of research work.

At present more than 45 percent of the network of organizations engaged in scientific research and development in Russia are situated on the territory of nine regions. These are the city of Moscow and Moscow Oblast; the city of St. Petersburg and Leningrad Oblast; Novosibirsk, Sverdlovsk, Rostov, and Nizhniy Novgorod Oblasts; and the Republic of Bashkortostan.

Unfortunately, until the last few years, Russia lacked a regional scientific policy. The main point here is to avoid going to extremes: Shifting all responsibilities for its implementation either to the center or to local authorities, either of which will lead to undesirable consequences in the development of both science and the regions.

It is necessary to show concern for the future of closed science cities like Arzamas-16. Having a unique scientific and technical potential at their disposal, science cities could become centers for the development of new knowledge, technologies, and modern education, conduits for technical innovations in all spheres of the

national economy, and the basis for the development of state scientific centers and the conversion of industrial production units.

The draft working program of the Russian Federation Council of Ministers-Government for 1993-1995 "Development of Reforms and Stabilization of Russia's Economy" contains numerous provisions addressing science. This is promising. It is, of course, important to ensure that plans do not remain just good intentions. Much will depend on the Russian Federation Ministry of Science and Technology Policy, which has been given extensive powers.

In accordance with strategic objectives, Russia's scientific and technical policy ought to be formulated by the legislative organs and adopted as an unconditional priority by the country's government.

This will require:

- That specialized committees (commissions) for problems of the country's scientific and technical development be created in the legislative chambers of Russia's future parliament, assigning to them, among other tasks, the preparation of regular analytical reviews for the elaboration of appropriate legislative acts.
- That the government's statistical records organs are obliged by appropriate decisions by the chambers of Russia's parliament to publish statistical material on the country's economy, including the collection and analysis of statistical data on the numerical strength of the contingents of scientific cadres, the amounts of state budget financing and other sources of finance for our country's science for the practical attainment of the strategic goals of scientific and technical development.
- That Russia's government eliminates the prevailing imbalances in the remuneration of scientific and other workers in the country.
- That funds are ensured for the financing of state budget-financed scientific research organizations at the level necessary to maintain their productivity.
- That in 1994 the country's organs of legislative and executive power find methods and means to prevent any further decline of the science-intensiveness potential of Russia's national product and ensure preferential development for our country's science.
- That Russia's government ensures state budget financing for the country's science in 1994 at a level of at least 2.3-2.5 percent of the country's GNP and ensures conditions for further raising this indicator in the next few years. That the decline of the proportion of scientific associates among the other categories of hired workers employed by state organization be halted.
- Without excessively diminishing the importance of broad international cooperation, it is necessary to

create all conditions (salaries, equipment, libraries) to ensure that our scientists work effectively in their own country.

3. Guidelines for Politicians in the Education Sphere

The Russian mathematician Nikolay Ivanovich Lobachevskiy, while holding the post of rector of Kazan University, frequently addressed students with speeches about man's purpose and his creative potential. Man, he emphasized, "was born to be master, conqueror, and king of nature. But the wisdom with which he ought to rule from the throne he has inherited is not given to him by birth; it is acquired by study." Lobachevskiy was a confirmed advocate of the development of all gifts of the individual in the process of training and education. Only thus will man develop as an individual and will expand the horizons of his intellectual might.

The scientific and technical progress influences not only equipment and technology. It promotes the headlong progress of productive forces as a whole and man's development, it demands comprehensive and complete utilization of man's abilities which is impossible to achieve without improving education.

Spiritual and intellectual perfection are not automatically acquired. Britain has the Open University with 250 branches, Germany has the Westphalian Correspondence University, Japan has the Radio University, Israel has the Everyman University, and so on. It is time for Russia to seriously tackle the radical renewal of the entire reserve of knowledge and intellectual potential.

Our society's reform must presuppose a fundamental reform of the education system, beginning with the objectives of education, its economic foundation, and the management of the education system, and ending with the system for training and retraining of specialists, the schools structure, and the content and technology of training.

The development of modern society is determined mainly by the scientific and technical revolution. This takes the form of the vast flow of information, the rapidly changing production technologies, and the equally rapid obsolescence of the knowledge and habits of specialists at almost all levels. Any country's position in the world community is directly associated with its achievements in the elaboration of qualitatively new technologies and activity systems. Autonomous thought and the ability to make decisions are irreversibly demanded of each member of society. Today's mass schooling is in principle not geared to the cultivation of these qualities in individuals.

The utilitarianism which dominates society has resulted in a considerable dehumanization of culture and has destroyed many spiritual values, offering almost nothing in exchange. The traditions underlying the formation of previous generations' spiritual world and the ability to reproduce the people's culture have been either largely broken or altogether lost.

Today, following the loss of the time link and the world's integrity as necessary conditions for culture's reproduction and development, the school's most important task is to restore continuity between generations and implant in the school pupils' minds the historical roots linking them with the past history of their own people and the whole of mankind.

Unfortunately, over the last few years the prestige of secondary education has fallen to its lowest level ever in 20th century history. Polls in 1993 showed that only 20 percent are fully satisfied with the standards of education, 70 percent of teachers and parents believe that schools are in the deepest of crises, 50 percent of teachers are not satisfied with their own training and work, and 85 percent of young specialists believe that the education they have acquired is not in line with the latest achievements of science. The following are identified as some of the causes of the crisis in schools: the surplus principle for finance and material backup, the declining value of education, the weakening of discipline and law and order in the country, bureaucracy in the management of education, and the low standing of teaching as a profession.

The situation in higher education is equally complex, even though selfless and knowledgeable professionals are working there. Thanks to their heroic efforts, the decline has been halted to some degree. The edict "On Measures To Support State VUZ's [higher educational institutions]" has been signed, giving them land for indefinite free use.

Nonetheless, Russia's VUZ's are losing young lecturers, the prestige of this profession is declining, and the socioeconomic situation of scientific, pedagogical, and research cadres has deteriorated.

The depth of the crisis in education is determined not by the state's poverty but by the inability to match the citizens' requirements, demands, and wishes with the potential of the country's teachers corps and the standards of programs. Adequate funding and the replacement of fundamentally old schools will not produce quality education. It can be produced only by the appropriate content of education, the technology of training, and the professional standards of teacher trainers.

There is a need for a state strategy for the development of education, elaborated in detail. A very important step has been taken—the Law on Education has been adopted. This law has emancipated and deideologized the schools. But it is still in our schools that we are less prepared for freedom and creativity than in any other sector of production, science, and culture.

Work must be done along two avenues: scientific substantiation of all fundamental provisions of reform and elaboration of appropriate legislation.

The centralized financing of schools from the state budget has become an objective hindrance to their development. Of course, even now part of the expenditure should be borne by the state budget. This applies

primarily to capital construction. The other part should be covered by municipal funds. Russia does have such experience. It ought to be revived in the law on local self-government. A great role in the financing of schools can be played by local education funds and school supervisory councils, provided a sensible system of tax benefits is elaborated.

Fundamental changes are also necessary in the management of the education system. Many relevant provisions have been made in the Law on Education. There is a need to considerably reduce the management apparatus and to fundamentally change its functions.

Hitherto all changes in the management system have been implemented by management officials themselves and in their own interests. The total number of managers per pupil has been steadily growing. The new management system must be structured for the children's benefit, with a view to their more comfortable life and best possible development.

Schools must become fully autonomous in all regards and must be fully responsible for the quality of children's training and education. The quality of training could be monitored by supervisory councils using tests which determine whether knowledge and habits are in line with state standards. This will enable schools to become a self-regulating system, with self-development providing the basis for the mechanism of their functioning. In these conditions, schools will begin to actively form the best possible infrastructure and educational environment for their pupils.

Without putting matters off until the more distant future, resolute steps ought to be taken already in 1994-1995 toward a more efficient utilization of higher education's educational and scientific potential and an expansion of already existing forms of integration between science and higher education. This means fundamentally new forms of mutual relations between science and VUZ's—the creation of scientific education complexes, the preparation of joint scientific programs and projects, and the training of pupils for schools and VUZ's.

Transformations in schools—both general educational and higher educational—must be geared to the awakening of cognitive activity in each individual and to teaching him how to acquire knowledge autonomously.

4. Culture in Russia

It can be said that Russia's cultural figures now enjoy more creative freedom and political independence than ever before in its thousand-year long history. And yet, these figures increasingly often proclaim that the last few years have become the era of "the country's deculturation," "the denigration of talent," and the impoverishment of writers, painters, humanists, and museum workers to a level already approaching that of the Civil War and Great Patriotic War years.

On the other hand, Minister of Culture Ye. Sidorov shocks the country by announcing that about 80 percent of icons in Russia have been exported in the last few years. If truth be said, it is hard to imagine who has calculated this, and how, seeing that records of cultural assets in the country have always been badly kept and nowadays are in a state of total disarray. Book publishing statistics in our country are also deceptive, but specialists claim—not altogether groundlessly—that the works of Pushkin, Blok, L. Tolstoy, and Gogol are today published in smaller print runs than during the years of postrevolutionary devastation or after World War II. Never before have so many cultural monuments been destroyed in Russia, and it is impossible to imagine that the state budget was “not in a position” to appropriate a few million rubles to restore the monument on Chekhov’s grave at Novodevichye Cemetery, which is today badly in need of repair.

A multitude of people—from the president down to the merchants specializing in the marketing of folk art and craft products—assure Russia of respect for the originality of national culture. But television’s weekly popular education programs abound exclusively with foreign titles.

A “top level” decision has been made in Russia to elaborate a program for the privatization of culture and art institutions (theaters, museums, buildings, country estates), taking into account the interests of the legitimate heirs of their former owners. And yet that same document “decrees” a ban on any privatization whatsoever in the cultural sphere. The president has prescribed a policy of returning to the church all buildings and other valuables originally intended for religious purposes. He has also promulgated an edict granting the status of national cultural monument to a series of especially outstanding cultural institutions, which would render inviolable the collection of, for example, the Tretyakov Gallery which owns a huge collection of icons, or the Russian State Library with its unique collection of religious books and manuscripts....

There is a vast multitude of similar contradictions in plans and actions, and it is increasingly difficult to answer the question: What has happened and what is happening to Russia’s cultural policy, and is there any cultural policy at all?

Our country has already crossed the line marking the start of an era of historical ruin, comparable in scale with the Tatar-Mongol invasion. The “culture problem” is far broader than the problem of the present political power, of economic reform, and of state reorganization: The nation must find the strength and methods to comprehend and resolve it regardless of what the authorities might do. Especially since culture is more viable than all political regimes, ideologies, and states. It is a question only of the price and methods of culture’s self-preservation as a condition for the nation’s survival.

The questions of preserving the monuments of the Soviet era and the cultural heritage of those years as a whole are being raised especially urgently (maybe deliberately?) today. But no matter what political, economic, social, and any other renewal may be yearned for by any country, its desire can be satisfied only by reliance on the past. It was said a long, long time ago: “They fire at the past and kill the future.” But the process of “overcoming the past” and “bringing the fatherland’s culture back to the mainstream of world development” soon enough took a “special path” again. This has proved to be the path of leveling the fatherland’s culture. Politics has once again, stealthily and “on the quiet,” assumed the functions of culture, deciding once again on the latter’s behalf what from the past is suitable for the “civilized society” model and what has to be excised, cauterized, and ridiculed.

The stormy changes which occurred in our society in the last few years did not result in any noticeable creative productivity. Spiritual life is flooded with nothing but the monotonous flow of previously “forbidden fruit.” Literary journals are slowly sinking into oblivion. It is not so much that viewers are deserting the theater, but that the theater is deserting viewers: It has nothing to say. National cinematography is in a state of coma. The humanities and social sciences are ravaged. Philosophers have been squeezed out by chiromancers and sundry other charlatans.

The “former Soviet intelligentsia” is increasingly often sighing: It was better in the past, they dictated to us but at least we got paid. Until quite recently Federico Fellini’s reflection was considered a bad joke, but now people seem to comprehend its meaning: “I fancy the order which caused suffering to artists in the past: A pope, a duke, or a viceroy commissioned a work and did not feed the artist if the work was not completed. Had it not been for those tyrants, we would not have enjoyed the hundreds of great works.” In actual fact, freedom as such does not in any way guarantee the flourishing of creativity. Nowadays many people repeat the old truism: Poverty is the worst form of slavery. Creative people are becoming hostages of commercialism; the naive political faith of many intellectuals in politicians has proved fatal: How many notable figures are now silent, having been traumatized by the fact that they perceived as beacons some politicians who proved to be nothing but deceptive will-o’-the-wisps.

At the same time, in a situation whereby we are more than likely not only to experience a buildup of catastrophic tension in all spheres of society’s life but also to see the people driven into apathy and listlessness, right up to the point where the desire and actual will to live are dulled and society is paralyzed because nothing is sacred and mandatory for people—in this situation we are beginning to see the emergence of a stratum of people with the qualities and functions of a new intelligentsia.

The intelligentsia is not affiliated to any political stream, it does not serve either the state, or the parties, or the church, or even the people. Intelligence as a human

quality does not speak on anyone's behalf but its own, based on the theoretical principles of knowledge.

The theoretical nature of the new intelligentsia's judgments does not at all mean that it is aloof from the realities of life. Now, for example, it cannot adopt an indifferent attitude toward the Russian Government. In this regard, the intelligentsia does not fit anywhere within the range of viewpoints held by various political groups and various social strata of the population. From a sounder point of view it can be seen that a change of government and of authority in general will inevitably result in replacing the immature, inconsistent, at times simply foolish and clumsy democracy—but democracy nonetheless—with a quasi-democracy. This is the ground on which intellectuals determine their attitude toward the government today. But from the fundamental position, the present situation calls more for understanding rather than for approval or condemnation. To comprehend and to announce its conclusions to society—this is the function of the new intelligentsia. Politicians, intellectuals, parties, and movements want success, a member of the intelligentsia wants the truth. By its very nature the new intelligentsia needs, more than anything else, the fullest possible democracy, and it is the one that can utilize it best of all. This means that it is capable of being a kind of regulator of the degree and form of democracy.

The new intelligentsia is also the "bearer" of optimism in a society of skepticism and cynicism, of gloom and pessimism. Its optimism is based on its ability to perceive the contemporary social processes in the context of world problems and their history. Any "party approach" evaluates events and their consequences in terms of years or decades, while the new intelligentsia's supraparty and apolitical approach enables it to think in terms of the world and of centuries. The new kind of intelligentsia presupposes an independent morality. It scorns moral prejudices and the dominant spirit of the time. In the conditions of "generally accepted" deceit and camouflage, it is capable of sincerity, of the salutary self-restriction to nothing but implacably pointing out any manifestation of immorality to others and, in all other instances, imputes to dissidents nothing but intellectual confusion.

The intelligentsia's morality rules out the most permanent disease of intellectuals—egotism, and it preaches the principle: Love not me but mine.

At a time when malicious intent, selfishness, and deception in actions are becoming an everyday occurrence, the morality of a member of the intelligentsia calls for inaction as the last means of demonstrating disagreement.

This very intelligentsia will become the "third force" which, in conditions of mass hostility to all parties, programs, and everything else that divides and embitters, will mediate in relations between the people and the authorities, will comprehend and explain their role and

limits, and will bring about a mutual sensible moderation. We see the role of prosecutor being played even by many "generals" of literature, the arts, the humanities, and the social sciences who, until quite recently, strove to grab a seat on honorary presidiums as close as possible to Politburo members, glorified "socialist realism," and headed creative unions, scientific research institutes, and newspapers and journals. We see such a great multitude of cultural figures who had always been "against" not only "mentally" but also openly, that it is already hard to imagine who was ever "in favor" and who produced the thousands of novels, poems, movies, and monographs comprising "the world's most advanced socialist culture."

For the time being, many of our intellectuals are living just for the day, carried away by an exaggerated impression of their own importance in the fatherland's spiritual ruin. This is what the authorities value. But time is passing, and they need more and more people capable of building rather than destroying. There are very few of them and they, made wiser by experience, are trying to keep their distance from the authorities. This offers that much more scope for those who are diligent in seeking the blessings of the powers that be. But any authority's "special treatment" of the "masters of the word" has always and everywhere been like a royal court's relations with jesters.

Russia's geopolitical position is such that it enables it to occupy a most befitting niche in the planet's community in the 21st century—befitting its people, its culture, and its history; it can turn into a really first-rate power. This is important for all, because it will guarantee people's stability of existence, prosperous life, and opportunity to effectively exercise their own intellectual and moral potential. This goal is attainable. The nation must be aware of its own dignity, it must be confident that it is capable of achieving a lot, that it has not been cast on history's scrap heap as some people try to imply. This applies to all spheres of human activity, but especially to sophisticated instruments of manifesting national self-awareness like science, education, and culture.

5. The Growing Role of the Orthodox Church

Russian statehood is just one century older than the Russian Orthodox Church, if we take as our starting point the date when Christianity was adopted as the state religion of Rus by Kievan Grand Prince Vladimir in A.D. 988. Nonetheless, it was this step that largely promoted the cause of Russian state building.

Simultaneously with Christianity, Rus also adopted Byzantine Law which had incorporated all the best points of Roman Law which had been further fecundated by the Church's conciliarist experience over the centuries. The state importance of the Church for Rus during the Kievan period of its history was largely determined by the fact that, to a considerable extent, the Church was also the judiciary. As a matter of fact, right until the

Conciliar Code was compiled in 1649, church rules often filled in the gaps in state laws comprising the princely jurisdiction.

It is understandable that this great importance of the episcopate's judicial power was based primarily on its moral authority. During the pre-Mongol period, the metropolitan and bishops often had to reconcile princes at times of civil strife. Essentially, the Orthodox Church at the time played the role of a most important factor of national unity.

Let us recall that during the sad days of the October (1993) crisis, it was the Orthodox Church that again took on this historical role. And it is not to blame for the fact that the voice of reason was not heeded.

It is necessary to dwell on the following fact. Grand Prince Ivan Danilovich Kalita of Moscow invited Metropolitan Petr of Kiev and All Rus to settle in his capital. The foundations of the Cathedral of the Assumption of the Holy Mother of God were laid in the Kremlin. This made Moscow the permanent center of the Russian Orthodox Church, giving it at the time the significance of a nationwide center.

The 25 years during which the Russian Church was ruled by Prelate Aleksiy (1354-1378) were the time of Russia's unification [yubileniye]. During the minority of Grand Prince Dmitriy Ivanovich, the head of the Russian Church was de facto ruler of the Grand Principality of Moscow. His missions to the Golden Horde produced a lengthy respite from devastating raids. And when in 1380 the Tatar warlord Mamay moved against Rus, it was Grand Prince Dmitriy of Moscow who, having been blessed by the Venerable Sergiy Radonezhskiy, succeeded in bringing together a united Russian host to deliver the Land of Russia from destruction.

Russia's history offers numerous instructive examples of state organization. In parallel with the monarchical nature of power in the majority of Russian lands during the period preceding the formation of the unified Moscow State, we can also see the experience of the lengthy existence of the Novgorod Republic, where the three branches of power—governor [posadnik] (the administration), archbishop (spiritual leadership and a large proportion of judicial procedures), and prince (protection from external danger)—had their origins in the expression of the people's will.

G.P. Fedotov, the remarkable Russian thinker from our century, perceived Novgorod—the "Republic of Holy Sophia" as he described it—as the prototype of Russia's future democratic structure, underpinned by the primacy of Christian values.

But no matter what attitude we may adopt toward Russia's history following the unification of Rus under the authority of the grand prince of Moscow, it is necessary to admit that the Orthodox Church continued to play an important role in the consolidation of Russian statehood.

The 17th century proved to be especially important. The Time of Troubles immediately following the reign of Boris Godunov, which was marked by a series of disasters and mainly a devastating famine, again brought forth the Orthodox Church as the most important factor of national self-awareness, without which it would have been impossible to pursue state building in Russia. Thus, the Church's blessing of the Nizhniy Novgorod resistance made it possible to preserve Russian statehood in 1612.

In 1613 the Holy Synod, in other words the episcopate of the Russian Church and leading representatives of its clergy, launched the initiative of convening an Assembly of the Land to elect a head of the Russian state. This assembly, at which the estates of the Russian Land were represented, was an original form of representation of the people, unknown in the rest of Europe. After all, the representatives of the estates gathered at the Assembly of the Land not to play political games or exact privileges from the supreme authority, but to answer the question of how the Russian state should be structured. At that time the election of Mikhail, the first czar from the Romanov dynasty, was conditioned by the fact that his father, the prestigious boyar Fedor Romanov, who had been forced to become a monk by Boris Godunov and later became Metropolitan Filaret of Rostov and Yaroslavl (patriarch of all Rus in 1619-1633), was an outstanding spiritual leader of the building of the emerging Russian statehood. It is no accident that thereafter, and throughout the reign of Mikhail Fedorovich, Assemblies of the Land were convened by the supreme authority virtually every year to ensure that its initiatives could be backed by the Church's authority and become an expression of the people's aspirations.

A special importance in the cause of state building attaches to the 1649 Assembly of the Land, which compiled the Conciliar Code which laid the foundation for the codification of Russian laws.

When Peter the Great started implementing the transformation of Russian statehood on the principles of enlightened absolutism, he assigned a special role to the church administration. Having abolished the patriarchate and halted the convening of Holy Synods as the supreme organs of church power, he showed concern for forming a permanent supreme administration of spiritual forces which was named the Holy Governing Synod. In parallel with the Governing Senate, which promulgated imperial laws on behalf of the supreme power and was also the supreme judicial organ in the country, the Synod—if the monarch was unable to exercise his rights and duties—exercised supreme power in the country until such time as the legitimate claimant to the throne was sworn in as head of the Russian state. It must be especially noted that the Russian [Church] hierarchy played an extremely fruitful role in lawmaking activity, in which it was brought by the supreme state power, also in the 18th century.

Later on, when a representative organ of the people—the State Duma—emerged in Russia in 1905, it was no rare occurrence to see among its deputies bishops and clergy of the Russian Orthodox Church, elected mainly by the peasant strata which had entrusted them with the protection of their interests and the expression of their aspirations.

The 1917-1918 Local Assembly became an important landmark in the history of the Russian Orthodox Church, restoring the Patriarchate of All Russia and the principle of conciliarism in church life. Its opening coincided with preparations for the Constituent Assembly, which was intended to establish new principles of Russian statehood. In this context, the [Local] Assembly had a working section on "The Legal Status of the Orthodox Church in the Russian State," which based the documents it elaborated on the fact that "the Orthodox Church is a most sacred object for the vast majority of the Russian people" and therefore the state must give it legal protection and patronage.

The country's historical fate during the postrevolution decades developed in such a way that the Orthodox Church was not only deprived of its traditional historical role but, under the slogan of its "separation from the state," was also subjected to the most blatant persecution; that was a time when its paramount concern was the problem of survival in an atmosphere of artificially implanted militant atheism. But, despite everything, the Russian Church managed to survive and, with the passage of time, even to accumulate a certain amount of social potential.

The word "crisis" is nowadays one of the most frequently used words in the mass media. But let us ask ourselves: What sort of crisis is Russia experiencing now? Economic? It would be strange that a country with such natural and industrial potential would be incapable of swiftly dealing with it. Political? The multiparty system, which is capable of producing a serious struggle for power, is still at its embryonic stage, as it were, in our country. Nonetheless, we are indeed at a stage of crisis at present. And this crisis is real.

The main question facing Russia now is: What should be the moral guidelines of its future state building? This question has to be answered by the people themselves. It would be appropriate to recall the traditional form of dialogue between the supreme power and the people by convening an Assembly of the Land which could comprise authoritative representatives of all social and professional groups and the traditional religious confessions in Russia. This Assembly would not claim state power and would not compete with the existing representative organ. It will not adopt any acts for mandatory execution. But it will be able to identify the sore spots in our people's life today, on which those who have been tasked with state building in Russia should focus attention in the first place.

As regards the participation of the Russian Orthodox Church in this Assembly, this will not mean that it is

regaining any state functions or privileges. But, being an authoritative social institution in the country today, it will thus fulfill its purpose and will help the Russian people to preserve their identity and create their state.

The government and the new Federal Assembly are called upon, in the very near future and jointly with the Russian Orthodox Church, to compile a program for the restoration and refurbishing of cathedrals, churches, and monasteries.

An end should be put to all attempts at religious invasion from outside, no matter how plausible their motivations might appear. Missionary activity by foreign citizens in Russia must be legislatively regulated.

Section III: III. Stabilization of the Socioeconomic Situation in the Country

An analysis of the socioeconomic situation in the 14 former Union republics of the USSR by international organizations indicates that these countries are on the threshold of "a large-scale social explosion."

The incomes of workers and employees have declined by 21-27 percent in Turkmenistan and Uzbekistan, and by 59-60 percent in Kyrgyzstan and Tajikistan. The rural population's incomes have declined still further: by 33-35 percent in Turkmenistan and Uzbekistan, and by 64-70 percent in Russia, Kyrgyzstan, Moldova, and Tajikistan.

Wage increases cannot keep up with the steady growth of consumer goods prices. (Footnote: (According to EEC data, the increase of the population's incomes in the CIS is lagging behind inflation, and consequently real wages have dropped by 30-50 percent.)

The situation on the market for foodstuffs is especially alarming. Even the high prices have failed to solve the problem of normal supplies of meat, vegetable oil, and sugar for the population. Consequently, "a sizeable proportion of the population in the CIS is threatened by famine. Millions of people eat irregularly and there is excessive consumption of bread and potatoes. The situation is fast deteriorating," UNICEF emphasizes, "and three-fourths of the population in many regions are living in poverty."

The production of consumer goods has significantly declined in the CIS countries, including foodstuffs by 22 percent, light industry goods by 17 percent, and articles for cultural and everyday life use by 14 percent.

The commissioning of housing in the CIS as a whole has declined by 27 percent, of general educational schools by 33 percent, of preschool institutions by 32 percent, and of hospitals by 37 percent.

There has been an acute deterioration in the health care system: The appropriated funds are sufficient to cover just one-third of requirements.

A "new" phenomenon, long-forgotten by generations of Russians, has emerged—unemployment. It is expected that the army of spare labor in the CIS will have reached 12 million persons in the first quarter of 1994.

The number of recorded crimes has also increased sharply in the Community states—by 30 percent on average. The highest increase is in Tajikistan and Kyrgyzstan by 50 percent, in Azerbaijan and Armenia by 33 percent, and in Russia by 28 percent.

Thus, not a single one of the new sovereign states on the USSR's territory has been able to guarantee the life and safety of the majority of its population.

The absence of guarantees creates a fundamentally new sociopolitical situation in the CIS countries, where residents in the past felt that they were citizens of a great state.

These new conditions will dominate the development of sociopolitical events in the CIS also in 1994.

It is not only the population but also the authorities that feel uneasy in the face of new realities. The problem of consolidating power, which is in a state of unstable equilibrium in the overwhelming majority of states, will be the main problem in 1994.

The reforms being implemented by the authorities of the sovereign states are inadequately backed by the population, as can be seen from the Eurostat data (see Table 1).

Table 1. Question: What will market economics bring to your country?

Country	Benefit	Or Harm [see footnote]
Russia	37	44
Moldova	41	50
Latvia	48	36
Ukraine	34	46
Belarus	32	56
Armenia	31	56

(Footnote) (These data correspond fully with the results of the All-Russia referendum, when only 34.9 percent of the total population approved the social policy implemented by the Russian Federation president and government.)

Thus, almost everywhere (with the exception of Georgia and Estonia) the majority of the population expect "harm" rather than "benefit" from market economics. In actual fact we can see that, first, society is split as regards the essence of reforms and, second, there is a low level of approval for them.

Western political scientists are seeking the causes of this phenomenon. Will Hutton (THE GUARDIAN), for example, having analyzed the processes in the former Union, draws the following conclusion: "Hardly ever have economists been so involved in the sphere of

politics with an opportunity to compile plans and programs which are far removed from the cultural, social, and political context in which they exist. The process of reforms has evolved into a technical problem and its success depends on the existence of political 'will.' It is hard to imagine a more simplistic concept."

This view is not altogether groundless.

The question is: How can sociopolitical processes in the CIS countries develop further with today's situation as a starting point? There is no doubt that they will have their specific aspects everywhere. But there are also common trends. The complexities of the problems of authority are largely conditioned by the following contradiction. The political forces (Footnote) (Meaning the Democratic Congress [Democratic Russia, Rukh, Berlin, and so on] and the People's Fronts) which brought the incumbent leaders of sovereign states to the summits of power, proved capable of destroying the former one-party political system, but have so far been unable to create a new pluralistic system. As destroying parties, they did not enjoy a mighty social base. The current need of all CIS leaders for such a social base clashes with the course of reforms being implemented, which harm the vital interests of a large proportion of the population.

The consolidation of democratic power is hindered by the marginalization of society and the disintegration of its social structure. The "crystallization" of the social structure can have a different base in different countries: nationalism, religious fundamentalism, patriotism, corporate principles, and so on.

UNICEF and WHO have forecast massive social explosions on the ground of dissatisfaction with reforms. The socioeconomic tension in Armenia, Georgia, Moldova, Azerbaijan, and Tajikistan has shifted to the level of territorial-ethnic conflicts. Such conflicts could intensify in Russia and Ukraine. In the Baltic countries these conflicts have been moved to the plane of relations with Russia and turned into the problem of the Russian-speaking population.

Similar scenarios in the same or different forms are possible in virtually any one of the 14 former Union republics.

1. Stabilization and Recovery of the Economy

Do we have a chance to revive the economy in the majority's interests? Yes, we do. The only problem is to switch on the mechanism for rational utilization of Russia's national wealth: its intellectual potential and its natural resources.

Privatization or nationalization, plan or market—these cannot be examined as the ends of the new economic policy. They are only the means.

It is necessary not only to simply proclaim the value of man, his dignity, and his inalienable rights and freedom,

but also to guarantee them economically for the overwhelming majority of citizens. We cannot allow ourselves to "consume" the heritage of our grandchildren and ruin our country by selling off the raw materials, land, and intellectual property, reducing the level of production and the standards of morality, education, health care, and ecological safety, and allowing crime to rise.

Therefore, the following are suggested as end objectives of the new economic course:

1. To ensure not just Russia's survival as a unified autonomous state, but also its rebirth.
2. To occupy a leading position in the group of the world community's leader-countries.
3. To ensure a befitting quality of life according to world standards.

Such an effective economic course would require a substantial revision of federal priorities, a sharp increase in the proportion of production investment, enhancement of their efficiency, and implementation of state regulation of structural changes in production.

The distribution of labor, material, and financial resources between the civilian and military spheres is one of the most important national economic proportions. In view of all the peculiarities of Russia's geopolitical situation, it is important to bear in mind that military expenditures in developed countries account for less than 5 percent of GNP. A desire to reach approximately the same degree of nonproductive utilization of resources in Russia by the end of this century would reduce to a minimum the negative economic consequences of military expenditures.

The short-term plans should be to ensure the economy's stabilization with priority development for the sectors geared to satisfying primary vital needs. At the same time, investment opportunities for the retooling of production should be boosted.

The medium-term plans should aim for structural changes and renewal of the base resource-saving technologies, which will be largely geared to the consumer market.

The long-term plans should be to implement a transition to an innovation economy, when acceptable losses in the rate of economic growth should be the price to pay for the pursuit of a policy aimed at social progress and ecological safety.

A program for the economy's revival must provide guidance for actions. Its coordinated principles and guidelines should provide the foundation for the authorities' legislative activity. Only then will the economy, "working" within a legislative framework which promotes its development in the interests of the majority of citizens, become really free.

In order to gain the people's trust, the government is bound to publicize its plans and the progress in their fulfillment. Its activity should be judged not only by the improved quality of life but also by the protection of the interests of all of society's citizens, which should become the norm.

The question of the optimal pace of transformations remains as acute as ever. This pace must not be arbitrarily set, it ought to correspond with society's real potential rather than with the wishes of the initiators of reforms. The experience of Russia and other countries testifies that it is impossible to effect privatization and introduce the market at a stroke, or to create within a year or two a quantity of private farms which could succeed in solving the food problem. At least 10 years will be needed to modernize industry, transportation, and agriculture.

Any delay in the implementation of pressing transformations is equally impermissible.

There is no need to conceal from the people the full gravity of the situation prevailing in the country. The best possible way for extrication from the crisis can be found only by facing up to the truth, otherwise we will once more end up with numerous promises followed by explanations why they were not honored.

So far there has been no success in halting or even slowing down the slump in production which has been going on for three years now. It is approaching 50 percent in industry (in other words, production is being almost halved, which would bring it down to the level of the 1960's). December 1993 alone saw a 12-percent slump. The opposition's claims that the country is being deindustrialized reflect not only the sharply contested election campaign but also the real "development" trends. The situation is equally alarming in agriculture and especially in breeding stock, where production has declined by 42 percent.

The main harbinger of disaster is the fact that the foundations of growth have been undermined, since capital investments in the national economy have undergone such sharp and manifold reduction, and the renewal of equipment and technology has been halted.

The slump in production also leads to a decline of the population's living standards and a sharp deterioration of the population's physical conditions of existence. According to data from Russia's Sanitation and Epidemiology Service, 20 percent of the population suffer from energy famine due to inadequate nutrition. It is not in vain that people are already talking about the problem of physical survival.

A reduction of capital investments and defense expenditures will only partly soften the blow on living standards, but it is fraught, first with accelerated slump of production and, second, with a decline of the country's defense capability and security.

The sharp exacerbation of the foodstuffs crisis in the last two-three years was conditioned not only by the decline of the production of agricultural output. Former and existing kolkhozes and sovkhoses and their transformed production structures are in a most serious financial situation; they are overstocked with output which either fails to reach the consumer or, having made its way to him, its price has increased manifold.

It would appear that the following causes have led to the sector's stagnation:

- The sharp and sizeable reduction of all types of state support for the agro-industrial complex and the elimination of the state system for material and technical supplies.
- The disruption of the equivalence of agriculture's intesectional and interregional relations with resource-supplying and servicing sectors.
- The collapse of organizational structures with organized production and the attempts to replace them with new structures without the necessary conditions for their effective operations.
- The decline of scientific and technical standards in the agro-industrial sector and the degradation of science through inadequate funding, which deprives the agro-industrial complex of any development prospects.

Energetic measures of state protectionism will be required in the next few years so as to develop and economically consolidate the agro-industrial complex.

The sociopolitical situation. Although a sizeable proportion of the population remains politically indifferent, the last few years have seen an intensive political polarization of forces in the country, which has brought forth the growing threat of civil war. The events in October 1993 most graphically demonstrated this danger. When analyzing the causes, it is impossible to allow simplistic interpretations and reduce everything to just the activity of extremist elements. A considerable role in the 3-4 October events was played by the calamitous situation and despair of many people, whose living standards have sharply declined and whose life's aspirations have collapsed.

The causes also include instances of insults against the national and patriotic feelings of Russia's population, which are frequently encountered in the mass media. If the word "patriot" becomes an insult, if Russia's history is grossly discredited, if the national culture's world-standard achievements are denigrated as being third-rate, and if the idea of the people's inadequacy is openly proclaimed, this will provoke racial and national enmity. An end must be put to this by using the force of the law.

The Federal Assembly can serve society's sociopolitical consolidation and the pooling of efforts by different political forces. There are great opportunities here, since the current polarization stems not so much from objective processes but from subjective efforts by different political parties and movements.

2. Structural Reorganization of Russia's Economy

The crisis in the socioeconomic system is directly reflected in the structural and investment crises.

Need for and Problems of Structural Transformations

Structural imbalances are the consequence of the economic development strategy geared mainly toward maximum growth of the state's resources potential and its defense capability.

But a noticeable sectoral differentiation is occurring against the general background of the slump in production in the Russian Federation in 1992-1993. Specifically, there are substantial reductions of the volumes of output in the light and food industries—the basis of the consumer complex.

The long-term task is to radically renew technologies and switch to the science-intensive and ecologically safe variety of economic growth. The saving and the more rational and more efficient utilization of investment resources are highly important for the structural restructuring. This presupposes a "revision" of the resource potential of the investment complex.

Savings of investment resources are practicable, for example:

- in the machine building complex via reliance on end products and consumer goods;
- in the metallurgy complex via sharp reduction of demand for series-produced metal output and the switching of metal from the defense complex to civilian machine building;
- in the fuel and energy complex via more rational selection of projects for the extraction, transportation, and thoroughness of refining oil, gas, and coal.

The policy of state regulation of investments could yield a positive effect subject to "offensive" and "defensive" measures embracing all sectors of the economy and maintaining its structural and technological integrity. State support must encourage the development of high-tech, science-intensive, and competitive production.

The strategic line of the sectoral structure's restructuring must be the consistent renewal of sectoral technology. Priorities must be determined accordingly. It is primarily necessary:

- to modernize the production, technical, and scientific base in the primary sectors of the fuel and energy complex, machine building, agriculture, and transportation via the utilization of state and foreign investments, including those from nearby foreign countries;
- to create export-oriented production in machine building, primarily on the basis of leading military enterprises, and to ensure the development of machine tool and instruments production, instrument making, electronics, and electrical engineering;

- to create import-replacing production in the light industry and reorientate (replace) the weakened production-sharing links;
- to ensure a reduction of the losses of energy and timber resources and agricultural raw materials via high-tech processing.

In the process of structural reorientation, the state cannot be allowed to retreat from the management of economic development. It is called upon to elaborate the strategy of the conversion of military production and the preservation and efficient utilization of the military-industrial potential; to pursue a regional policy coupled with the structural restructuring of industry; to accumulate material, technical, and financial resources for the development of the economy's social and cultural sectors (ensuring the social orientation of reforms). It is necessary to take stock of industry's production, resource, and technology base.

The transition to the system of market relations has created the most complex survival conditions for virtually all industrial production. The prolonged absence of formulated priorities in sectoral policy and of a considered regional policy has also aggravated the difficulties in the modernization of Russia's industrial structure. In the conditions of market relations, certain advantages have been gained by those who have managed to achieve the narrowest possible specialization in production and have then brought their output up to modern standards. Of course, in this case we are talking about a rational perception of the problems of narrow specialization in production, which is not tantamount to monopolism. For example, no other country in the world practices the utilization of basic production waste by raising such waste to the level of consumer goods. It is only in our country that the production of consumer goods as a way to utilize basic production waste from the country's industrial giants has become dominant.

The future production of consumer goods by base and defense sectors would appear especially problematic in the light of the lifting of restrictions on the importation of foreign-made consumer goods and of the planned commodity "intervention." It is easy to forecast a crash in the event of nonspecialized production of consumer goods: A crisis of overproduction will occur. In these conditions it is worth noting the possibility of manufacturing "dual purpose" articles. This will enable the national industry and science to actively compete for consumers at the products market and, at the same time, will encourage the utilization and improvement of our own technological potential.

In addition to the fact that industrial enterprises in the base sectors will become suppliers of material and social consumer goods for the domestic market, they are also mass consumers of these goods in the conditions of exacerbating economic crisis in the country. What we mean is the adverse trend toward the barter of their

output for consumer goods, in other words the withdrawal of sizeable consignments of goods from the market.

Unfortunately, the curtailment of supply is gathering pace. Consumer goods are at present actively bought for intradepartmental distribution. The economy's liberalization by the methods of "shock therapy" has resulted in major economic and political errors and massive decline of the population's living standards. A catastrophic distortion has been allowed to occur in the consumer sphere: As a result of the reduction of effective demand, nowadays only one person out of 1,000 can allow himself, subject to rigid savings from the family budget, to buy the cheapest of refrigerators or television sets. This imposes restrictive bounds on the progressive structure of demand and supply (production).

Some people think that there has been and there is no alternative to the chosen course. Of course, initially the situation was extremely depressing and precluded any swift and serious progress. But the weakening of the economy, the disintegration of traditional economic ties, and the growing inflation—all this actually generated the need for radical measures to restore the manageability of the national economy and the utilization of all levers of state influence compatible with the process of transition to the market.

Conversion in the System of Structural Changes

In the conditions in Russia, which has inherited from the USSR a hypertrophied military industry, conversion emerges as a major reserve for the country's economic development and for substantially boosting the manufacture of civilian commodities for consumption and investment purposes.

But the switching of military enterprises to civilian tracks will require considerable time and major funds. Essentially, conversion is an investment process requiring short-term expenditure for the sake of long-term benefits. Investment decisions affecting the conversion of production, new construction, and the organization of supply and marketing have always involved risk. The risk associated with the implementation of large-scale conversion projects can be reduced by in-depth technical and economic studies of the transition to the manufacture of new output.

The country is profoundly concerned about the progress and prospects of conversion activity. In many instances it has hardly produced any results, having traversed the path from "conversion by edict" to "free-for-all conversion."

It would seem expedient to conduct a state inspection of major conversion projects in 1994 involving independent experts in the analysis of financial and other problems. A special government decree could be adopted on the basis of a summation of the inspection's results. This is also necessitated by the ratification of the Russian Federation's military doctrine, whose provisions make it possible to determine the scale and pace of the release of resources from the military sphere and, correspondingly, of conversion activity in the coming years.

The Modern Course of Industrial Policy

The objective of the state's selective structural policy, in line with the 12 April 1993 decree of the Russian Federation Council of Ministers-Government, is to ensure the enhanced efficiency of social production via targeted changes of its structure, technological standards, and lists of items produced, and the stabilization and growth of the financial and economic interest of enterprises and entrepreneurs. With a view to financial stabilization, the government has planned a series of measures regulating the federal budget's relations with territorial budgets and so on. Credits for industry play a special role in this process. On the one hand, the mass provision of credit for enterprises has slowed down the accelerating slump in production but, on the other hand, it has intensified inflation and has led to the stabilization of the flawed structure of production with which we are living today.

The government took the path of detailing a selective structural policy which presupposes choice from options which have not lived up to expectations. But our country's inefficient economy makes it very difficult to pick a sector which can be painlessly abandoned.

The selectiveness of structural policy is also based on financial levers. The unconditional and efficient utilization of limited financial resources presupposes their targeted utilization and rigid choice of priorities. At the same time, the proclaimed priorities essentially extend to all sectors of the national economy. "Capital investments in priority sectors" (the fuel and energy complex, the chemical industry, the agro-industrial complex, transport and communications, the military-industrial complex, and science) account for 70 percent of capital investments. If we add to this the investments in housing construction, the government intends to control about 90 percent of all capital investments. The implementation of this program will lead not to any enhancement of the state's role, but to preservation of its monopoly status in the sphere of investments and state control of the formation and distribution of financial resources.

The state's selective structural program says nothing about the economic criteria for assessing the efficiency of investment programs and projects.

The proposed criterion for sectoral affiliation will lead to wholesale provision of credits for sectors regardless of their technical standards and production efficiency. The program does not reveal the organizational plan of structural policy. In the past this was done during the elaboration of state plans which included resource indicators, end results, and efficiency levels.

In our opinion, the structural investment policy must be built on the basis of directive and indicative plans. Moreover, the sole criterion of efficiency must be the technical standards and competitiveness of production and the extent to which output meets world standards. Budget appropriations and credits could be allocated for the implementation of such projects.

It is well known that a leading position among the priorities of structural policy is assigned to the development of the fuel and energy complex, on which the provision of vital services for the economy and the development of export potential depend. Here it is necessary to be aware of the danger of hypertrophy and the possible transformation of an economy, which may not be efficient but is nonetheless industrially developed, into an energy and raw materials appendage of the world economy. In this context it would appear expedient to elaborate a concept of Russia's economic security and its participation in the system of international division of labor—taking into account the entire complex of national-state interests, including strategic interests.

Despite the numerous attempts to stabilize the ruble, Russia is in a financial blind alley today. The government's anti-inflation measures produce the diametrically opposite results. According to our forecasts, the Goznak [Main Administration for Production of State Bank Notes, Coins, and Medals] printing presses will inevitably work harder in 1994. There is a view that an extrication from the crisis is possible through the creation of a new ruble.

Drawing parallels with the two hyperinflations in Germany, for example, we will be unable to cope with this problem without international assistance. A Russian international bank ought to be set up in Switzerland by decision of the Russian Federation Government and the IMF. The IMF could provide the promised \$6 billion as a foreign currency backup for the new ruble.

Over a period of 6-12 months Russia will earn a similar amount, including earnings from exports, payments for which will be paid directly into this bank's account. Having accumulated \$12 billion, the bank will embark on the launch of a new ruble and will begin using the new currency for partial settlement with exporting enterprises. The new Russian currency will be gradually transferred to the Central Bank of the Russian Federation. It will be converted into dollars at the rate of 1:1. The old and new rubles could circulate in parallel.

At the same time, the Russian Federation Government ought to launch a large-scale program to combat unemployment. The labor force being released could be channeled into the building of highways, railroads, and airports. The new rubles will be initially concentrated around exporting enterprises, enabling them to recruit the most skilled personnel. This will serve as an incentive for other enterprises holding foreign currency to repatriate it and convert it into new rubles. Consequently, the circulation of the new Russian currency will be stepped up and this will lead to economic recovery. Once Russia has repaid the \$6 billion to the IMF, the Russian international bank can be moved to Moscow.

3. Agrarian Reform

For the fourth year running the economy's agrarian sector is experiencing the growing effect of the irreversible processes of breakdown of production and its material and

technical base, impoverishment of the peasantry itself, and degradation of the countryside.

The socioeconomic situation in the agro-industrial complex testifies that the economic reforms being implemented in the country have led to a slump in production and have disrupted the economic parity prevailing in the early 1990's between rural commodity producers and industrial enterprises, and this in turn has led to the countryside's devastation, accumulation of debts owed by all farms, and protracted crisis.

This extremely dangerous situation stems from reforms which have not been properly thought out, the price disparity between industry and agriculture, and the constantly rising prices of all means of production, fuel, and construction and other materials used in the countryside.

We are seeing primarily the ruin of large-scale specialized production which, for the most part, has been up to world standards in terms of its efficiency. In stockbreeding, for example, these powerful production units are working at just one-third of even less of their capacity through the lack of feeds. Losses in the stockbreeding sector could be recouped by at least 12-15 years of extremely intensive work.

The intensification of long-term negative trends, primarily the decline of the agrarian sector's production potential, is especially alarming. There is a catastrophic decline of soil fertility, and virtually all social programs for the reorganization of the Russian countryside have been cut back.

The rural population's mortality rate in Russia as a whole is 32 percent higher than the urban population's. Not a single state has ever suffered such losses.

Passions have been raging in society over the last few years about the right to privately own land and turn it into a commodity to be sold and purchased. This most complex question ought to be seriously examined. The mass media are using the terms "private ownership" and "personal ownership" as interchangeable. Nobody objects to the right to privately own land in the form of peasants' yards or land parcels for use as gardens or kitchen gardens by urban dwellers. On the whole, however, land for the commodity production of agricultural produce can belong only to those who cultivate it with their own labor. P.A. Stolypin, in his 9 November 1909 manifesto, allocated a vast quantity of new lands for peasants but did not once use the words "private ownership" but spoke of personal ownership, in other words possession and utilization, but not disposal.

Profitability levels should not fall below 75 percent in order to ensure the normal functioning of all forms of economic management in the countryside. If there is no success in establishing control over the formation of prices for the countryside's means of production, it will

be necessary to immediately release the prices of agricultural produce. After all, the freedom of some commodity producers should not turn into economic bondage for others.

Unfortunately, the cancellation of all forms of subsidies will only step up the degradation of the countryside and of agricultural production.

Such irreparable damage must not be allowed to occur. It is necessary to use all available and sensible means to prevent the collapse of Russia's agro-industrial complex, to radically change the financial and credit relations between the state and the farms producing agricultural produce, and to put an end to government support for the commercial banks' predatory policy. Financial and credit policy ought to be in the state's hands.

The following must be inalienable components of the program for boosting the agro-industrial complex:

- Forming on a voluntary basis a mixed economy in the agro-industrial sector and providing state support for agricultural enterprises under all forms of ownership and management.

Ensuring price parity in agriculture's intersectoral exchange with other sectors of the national economy, and establishing stable incomes for agricultural commodity producers making it possible to conduct expanded reproduction.

Ensuring fulfillment of the Law on Grain as regards support for grain producers.

Ensuring transition to a standard land tax for agricultural commodity producers, state protectionism in financial policy for the agrarian sector, and preferential credits.

Creating a state food fund. Produce for it could be acquired in exchange for resource materials at agreed prices.

Ensuring in January-February 1994 resources for rural commodity producers for the spring sowing campaign: seeds, equipment, spare parts, fuel, and lubricants. A decision must be adopted on preferential state credits, to be repaid by agricultural produce.

Accelerating the creation of an extra-budget fund for financial support for the agro-industrial complex. Special attention must be given to the countryside's social development, the enhancement of soil fertility, the development of land reclamation, machine building, and the processing and food industries, and the production of mineral fertilizers and plant and animal protection agents.

Ensuring state support for agrarian science and the assimilation of its elaborations in production, and for cadre training.

Reviewing the state's export and import policy as regards purchases abroad of agricultural produce produced in the Russian Federation.

Putting a stop to the export of mineral fertilizers needed to satisfy domestic demand.

4. The Stabilization of Finances

The financial and banking system is in a state of crisis. The current problems are largely and historically rooted in problems existing earlier in the USSR. The collapse of the USSR, together with other political, social, military, and other factors not directly associated with finances, has aggravated this package of problems severalfold. There is no doubt that all these negative factors and their impact on the financial system will persist also in 1994.

At the same time, there are also the mistakes and errors committed recently, which call for special mention.

The last two years have shown that the overcoming of the slump in production and the acceleration of structural changes in Russia's national economy cannot be guaranteed exclusively by the means of monetary and credit policy. Furthermore, such an approach is flawed in its very foundations.

In the conditions of inflation, the capitals of enterprises and banks are being swiftly devalued while credit operations are being essentially curtailed, even though the indicators—without any adjustment for inflation—speak of an apparent growth of credit operations and foreign currency on balance sheets. If they were to be adjusted for inflation, they would be sharply reduced.

The main causes of inflation are the sharp decline of production, the arbitrary prices set by enterprises in conditions of monopolism and commodity shortages, the budget deficit, the breakdown of economic ties with enterprises in former Union republics and CEMA countries, and the exportation of Russian commodities at dumping prices. These are the factors that lead to an imbalance between the money in circulation and the commodities available for purchase.

Errors in the implementation of economic reforms and the super-rigid monetarist credit policy, together with confusion in calculations, have intensified the slump in production and fueled inflation. The main lever for holding inflation back ought to be the credit support for viable enterprises. If enterprises do not receive credits to meet production costs and cover deferred payments, they would be altogether unable to function and, due to mass production stoppages, inflation would be many times greater.

In conditions that encourage incessant price increases and decline of the ruble's purchasing power, it is impossible to achieve normal commodity-money circulation, including the maintenance of balance between the total price of commodities in circulation and the total amount of money released into circulation. What should be the

specific measures that would make it possible to satisfy the commodity market at prices acceptable by the majority of the population?

One of the strategic solutions is to restrict the amount of money in circulation. Last year, this resulted in a huge total of reciprocal nonpayments. Prices went up and the enterprises' money evaporated. But credit emission is still being curtailed by whipping up interest rates. The ruble's purchasing power is falling uncontrollably because prices are rising without restraint. The imbalance between the value of commodities in circulation and the total amount of money in circulation is widening. In a normal economic process, money serves as a technical means of payment when exchanged for commodities. If there is no money, commodity-money circulation is slowed down and disrupted, since commodity production is curtailed. Although everyone cites the need for credit emission to be held back by the Central Bank, commodity producing enterprises are in debt. This is confirmed by the correlation of the growth of prices and of money in circulation: Over a two-year period the former increased by a factor of between 100 and 1,000, while the total amount of money increased only by a factor of 10 to 15.

While commodity producers are cutting back and curtailing production, the budget deficit is growing at a mad pace each year. But how are the state's inordinately rising expenses to be covered if the enterprises' revenues are falling and, consequently, budget revenues from taxation are reduced? The difference (approximately 20 trillion rubles) will have to be covered by money emission. This reveals the main cause of inflation—budget expenditures are beginning to exceed the total value of commodities produced for circulation.

But we cannot avoid deliberate and controlled inflationary expenditure on investments and the production of commodity produce. Even five years ago, the country would have needed trillions of rubles to replace worn out equipment and thus ensure simple reproduction. This accounts for 50 to 60 percent of all fixed assets in production. At today's prices, the amount of money needed would be 1,000 times greater. Without restoring the fixed assets, we will be unable to build a market economy and solve social problems. Meanwhile, investments in the last two years have been scanty. Furthermore, a sizeable proportion has been devalued because the investment period spans several years. Investments in production have been reduced by a factor of about five compared with the minimum that is necessary. Enterprises are consuming their depreciation reserves, let alone their profits. This is yet another consequence of irresponsibility and the false perception of economic freedom.

Evidently, we should not count on the foreign credits that have been promised. Therefore, in order to revive the economy, we will be unable to manage without inflationary credit emission, but a credit emission that is accurately verified and controlled. It must be noted that in a

healthy economic system, high interest rates are set in order to reduce inflation. In our own conditions today, high interest rates prompt a faster pace of price increases and further devaluation of money. Fast growth of commodity production can be achieved by lowering interest rates while accelerating the turnover of funds and providing targeted credits for the economy. This means an economic effect for both creditor and commodity producer. This is the way to extricate ourselves more swiftly from the grip of inflation.

But we will change nothing in our life today without solving the general questions of financial and economic policy, without establishing firm rules of the game. It is, after all, no secret: Many people are in favor of a market without rules. Primarily middlemen, traders, and dealers. As well as some commercial banks with their high interest rates for credits funded by their borrowing from the Central Bank, which itself sets the tone in this sphere.

The rules of the game in the market today can be established only by general agreement between all sides. This is normal behavior in developed countries. The destruction of what has already been created will continue without such an agreement, without any organized principles.

The Monetary-Credit System

The disparity between the banking system models in Russia and other countries is the main cause hindering their integration in a single financial area. The models applied in Russia are substantially different from the models of the world's banking business and encourage the speculative-commercial accumulation of capital rather than its investment in production supplying commodities to the market.

The second important reason hindering the integration of the Russian and the world's monetary-credit systems is the underdevelopment of modern long-term forms of settlement in Russia.

In these conditions, the attempt to elaborate the best possible course in credit policy and reform the system of settlements in the national economy is perceived by the Central Bank of Russia as a priority task.

The objectives of the Bank of Russia's monetary-credit policy are enshrined in the Basic Guidelines of Monetary-Credit Regulation in 1993, ratified by the Supreme Soviet, and in the 24 May 1993 Economic Policy Statement by the Government and the Central Bank. Both documents set the main task of slowing down inflation which devalues the population's money incomes and savings, deforms production and trade, and distorts economic guidelines for participants in economic relations.

Proceeding from the premise that the rate of inflation depends on the rate of money supply, it ought to be expected that, after a certain time lag, credit restrictions

should result in a slowing down of price increases. But inflation stood at 20 percent in June, 22 percent in July, 26 percent in August, and 23 percent in September. During the first nine months of 1993, wholesale and consumer prices increased by a factor of 7.3 and 6.3 respectively. Thus, the basic approach toward the curbing of inflation has proved useless.

The rising prices of energy sources (of gas in February and of coal in July) remained the main factor of inflation.

The monopoly status of individual groups of producers provided the main cause of the accelerated increase of wholesale prices and, after a brief interval, of consumer prices as well. Inflation in Russia is expected to reach 900 to 1,000 percent in 1993 as a whole.

The state of the monetary-credit sphere remains very complex. It is not only instability in the economy but also uncertainty as regards the state budget that hinder any forecast of the future dynamics of growth of the money in circulation and, consequently, any effective regulation of its level.

In order to ensure a stable reduction of the rate of inflation, the Central Bank's actions ought to be backed by an appropriate budgetary and taxation policy. The inefficient distribution of centralized credits is fraught with the danger that a new crisis of nonpayments might develop; large-scale financial injections might be required in order to avoid it and this, in its turn, will lead to an expansion of unsatisfied effective demand and higher rates of inflation. The gravity of this threat is proved even more graphically by the fact that 40 percent of centralized credits received by enterprises are used by them to cover current debts.

It is necessary to enhance the efficiency of supervision and control of the activity of commercial banks.

When financing regional programs, it is necessary to utilize the potential of credit partnerships and the advantages of mortgage credit, and to create municipal banks. As regards targeted state credits, these funds ought to be primarily channeled into the implementation of specific projects associated with the development of market infrastructure at regional level.

The most important prerequisite for an efficient credit policy and the improvement of the payments and settlements system is to preserve the common economic area and the unified monetary-credit and banking system within Russia's framework.

Settlements Between CIS States

One of the most complex problems concerns settlements with the CIS states, many of which have either switched, or are in the process of switching, to their own monetary

systems. The regulation of interstate settlements is hindered by the ruble's uncertain status and by the difficulties standing in the way of coordinating the monetary-credit policy of central or national banks in the former USSR republics.

Russia must build its relations with former USSR republics with due consideration for their policy aimed either at preserving the single economic and currency area or at withdrawing from it.

The agreement between Russia and Belarus on the unification of their banking systems could serve as a prototype of new financial relations in the CIS.

Taxes, Credits, Banks

Taxes, credits, consumption funds, and wages remain the main levers for state regulation of market relations. Taxation policy must limit the volume and size of these taxes and must encourage and stimulate commodity producers not in words but by lowering the tax liability of those who boost production and by giving preferential credits, while the banks should amend the normatives for the formation and utilization of these funds. The banks must stimulate and encourage them to boost the volume of investments in production.

If we were to admit today that commodity producers must be supported, these specific amendments must be enacted in current legislation and any additional laws that might be needed must be adopted.

A major mistake is being committed today: Attempts are made to restrain inflation by virtually nothing but monetarist methods—by raising the base rate and rigidly limiting the credits for enterprises. And yet the ruble's strength depends mainly on the status of material production and the balance of the state budget. So far, the economy in Russia has not been functioning as a self-tuning mechanism. Therefore, it is of course a mistake to apply all the methods which operate in a developed market economy. In these conditions, a moderately tough credit policy would be the most appropriate. It must be tough but, nonetheless, we have no right to deprive the healthy nucleus of the country's economy of credit overnight.

There is the especially urgent question of the concept of the further development and building of our national banking system. Russia has approximately 1,800 commercial banks, 88 percent of which are small and medium banks with a registration capital of up to 100 million rubles. Their interests must also be taken into account. After all, there is no uncommitted money in Russia, no such money is held by the enterprises and organizations which are the main founders of banks.

The Economic Market Conditions Center under the Russian Federation Council of Ministers-Government conducted a study of the business activity of Russia's commercial banks. There were 173 banks taking part in the poll: 79 small, 46 medium, and 48 large ones. An analysis

of the replies showed that the majority of bankers believe in an opportunity to improve the situation of both their own banks and of the banking system as a whole. Higher profits are anticipated by 92 percent of them. Nine out of every 10 banks expect to boost their reserves. None of the banks has any intention of reducing its staff numbers, while some even expect to increase their staff.

Nonetheless, about 40 percent of bankers report possible cutbacks in their services for state enterprises: 72 percent believe that the financial-economic situation of their clients in the state sector will deteriorate; more than one-third of banks do not expect their deposit base to be boosted by state enterprises.

Almost all banks reported that they do not plan any cutbacks in credits for commercial structures in 1994. In this process, they will give preference to short-term credits.

The commercial banks are striving to expand the sphere of their operations. But the investment of the banks' own funds in commercial enterprises is a high-risk operation that could lead to a reduction of their capital availability and the emergence of difficulties with liquidity and solvency. Furthermore, in individual cases, the banks use for such purposes not only their own funds but also funds attracted from their clients, thus exposing not only themselves but also their depositors to additional risks.

In this context, the Bank of Russia plans to submit a proposal on amendments to banking legislation as regards limiting the proportion of the bank's own capital being utilized and the formation of registered capital by other nonbanking legal entities.

We need to work on a law on banks and banking operations and the central bank and, in all likelihood, it will serve a dual purpose.

Many of the administrative measures today are essentially antimarket, antientrepreneurial, and antistate. There is a trend toward transforming the Russian economy into an economy dependent on the world market and the developed countries.

It is necessary to change the course of economic policy and the strategy and tactics of economic reforms; we should bring to the foreground the priorities of our own country's industrialists, entrepreneurs, agrarians, private farmers, and workers. This means amending all the components of financial-credit policy, including taxation, budget, foreign economic activity, and privatization.

Destatization and privatization must be conducted on legitimate grounds and in the interests of the widest possible social strata. But the means and methods of privatization being applied today are a retreat from Russian laws and a disregard for the interests of our country's industrialists and entrepreneurs. Controlling blocks of shares in many privatized plants and highly profitable Russian enterprises are often acquired by foreign capital through proxies.

The strengthening and stabilization of the Russian ruble is the most important condition for the national economy's revival. The policy being pursued today certainly needs amendment, because it is making the Russian national currency dependent on the demand for and supply of foreign currencies, on the dollarization of the Russian market.

The strengthening of the ruble will also be served by the imposition of order in foreign economic activity, which incurs major losses of foreign currency. But even here the government still retains unjustified import subsidies and increases duties and taxes which raise prices still higher and fuel inflation.

Now it is already perfectly clear that the period of transition to the new economy will take years. Bearing this fact in mind, the government and the Central Bank must elaborate a long-term economic and credit-monetary policy, in which a central position should be assigned to the state regulation of the economy and the creation of favorable conditions for the development of productive and entrepreneurial activity.

In the long term, financial stabilization lays the foundations for growth of investments, but for the short term it can be confidently forecast that there will be a further reduction of investments in the national economy which, in the conditions of high degree of wear and tear or obsolescence of a sizeable proportion of fixed assets, could lead to a decline of technological discipline, accidents, substandard output, and breakage of technological links.

Among the questions of foreign currency-financial policy the main problem is not the choice of a rate of exchange system but the creation of economic prerequisites for its stabilization. We deem it expedient to aim for a breakthrough in the movement of the ruble's rate of exchange exclusively through official foreign currency investments. The use of intervention could be aimed at smoothening out any excessive short-term fluctuations of the rate of exchange.

It is necessary to adopt substantial measures to impose effective foreign currency control in the Russian Federation, specifically to set up a Russian Federal Foreign Currency Control Service.

The Bank of Russia must organize more effective control over the movement of funds to correspondents' accounts held by Russian commercial banks for foreign banks. Legislative provision must also be made ruling out the transfer of foreign currency by natural persons to banks abroad and stepping up liability for breaches of foreign currency and customs legislation.

There is another important problem. Russia lacks funds for financing capital investments and the elaboration of innovations, which have a vast potential. This question must be solved in a largely decentralized manner. The banks participating in venture operations can earn sound returns, but their efforts must be channeled toward the coordination of resources.

We believe that the funds of commercial banks held in the Central Bank's reserves must be utilized for investments rather than for refinancing or for covering the budget deficit. This is yet another source of inflation.

Information about the status of finances, money circulation, and the credit market is highly important for the successful development of the new credit system and the stabilization of finances.

5. Social Policy

Last fall a session of Russia's Ministry of the Economy Collegium examined the question "On the Draft Balance of the Population's Money Incomes and Expenditures in 1994." It analyzed the dynamics and structure of the formation and utilization of the population's money incomes in the past and the prospects for any possible changes in the future.

The liberalization of prices and the restraints on increases of wages and social benefits have resulted in a sharp decline of the real value of the population's money incomes. The earnings of Russia's population fell short by about 900 billion rubles [R] while the losses incurred by depositors, according to data of Russia's Goskomstat, amounted to R460 billion.

According to experts' estimates, the population's money incomes in 1994 will reach R68,300 billion. Bearing in mind that consumer prices are estimated to increase more than 10-fold, the real value of money incomes will be significantly reduced.

A further growth of the population's nominal money incomes is planned for 1994. The average monthly wage in material production sectors will reach R350,000 (it is estimated that the average wage of workers in Russia was about R80,000 in September 1993). Thus, there will be no success in slowing down the decline of the population's living standards.

Errors and mistakes in the elaboration and implementation of economic policy in the last few years have resulted in a catastrophic decline of living standards. Thus, compared with the end of 1991, the nominal increase of the population's money incomes managed to provide only 50-percent compensation for the increase of prices. In terms of the level of consumption of material goods, Russia has found itself (in terms of different categories of products and nonfood goods) thrust back by 10-20 years.

There is also a deterioration of the structure of services rendered to the population, a structure which remains extremely defective. According to data of Russia's Goskomstat (based on results for the first nine months of 1993), dominant position was still held by passenger transport services, which currently account for 40 percent. The proportion of paid services by cultural institutions is declining due primarily to the reduced number of visitors. The high costs of travel and stay and the unstable situation in many of the traditional tourist resorts have

curtailed the opportunities for meaningful rest by the population. Expenditure on payment for recreational services account for only 8.9 percent of the total expenditures by the population (against 9.7 percent in 1992). The housing and municipal services complex accounts for 12 percent of the total volume of services, 7 percent of which represents payment for housing.

One of the most negative results of the current economic policy is the sharp decline of the real value of the population's money savings. The GDP deflator increased by a factor of 430.8 between 1991 and mid-1993. As regards the population's financial deposits held by the Savings Bank, they have increased by a factor of only 6.5. Thus, taking into account the decline of the ruble's purchasing power, the population's money savings have been devalued by 98.5 percent.

According to Ministry of Labor calculations, Russia now has a stratum of super-rich people—about 3 million persons. They are mainly leaders of brokerage firms, commercial banks and exchanges, and individuals engaged in export-import operations. This group also includes criminals—corrupt representatives of executive power and the bosses of organized crime who belong to the population group enjoying superhigh incomes. The main sources of the initial accumulation of capital are speculation, usury, appropriation of rent revenues formerly paid to the state, and criminal activity. Thus society is being rapidly stratified into a relatively small prospering stratum and the bulk of the poor mass of the population. According to Ministry of Labor data, "the poorest" comprise 40-50 percent, and the "simply poor" comprise 30-35 percent of the population (see Table 2).

Table 2. Wealth Stratification of the Population, Poverty Lines, and Poverty Levels

Indicators	1991	Jan 1992	Jan 1993
Income concentration index (Dzhini [as transliterated] coefficient)*	0.256	0.275	0.325
Correlation of the level of average per capita income of the 10 percent richest and the 10 percent poorest members of the population, factor	5.4	7.2	9.0
Subsistence wage (upper threshold of poverty), rubles per person	200	2,200	18,000
Numbers of the population with income below the subsistence minimum:			
millions of persons	17	64	44
as percentage of total population	11.7	43.2	29.5
Minimum survival wage (lower threshold of poverty), rubles per person	110	1,200	10,000
Numbers of the population with income			
below the minimum survival wage:			
millions of persons	1.4	13	11
as percentage of total population	1.0	8.9	6.2

*(Footnote) (The Dzhini coefficient shows the nature of the distribution of the population's total incomes among its individual groups. The higher the degree of society's polarization by level of income, the closer this coefficient is to 1. Conversely, in conditions of equal distribution of incomes in society, the Dzhini coefficient equals 0. [Rossiya-93, Ekonomicheskaya Konyunktura (Russia-93, Economic Market Conditions), Third Edition, Center of Economic Market Conditions under the Russian Council of Ministers-Government])

The middle stratum of the population, which was numerically the largest in the past, now comprises only 10-15 percent. At the same time, it is undergoing a sharp deterioration of its professional and social structure. Formerly the middle class consisted mainly of skilled workers, the intelligentsia, and managers. Now all these strata have dropped to the social bottom. The growing difference in the sphere of material goods depends very

little on personal effort. Some people are enriching themselves on a hitherto unprecedented scale at the cost of other people's impoverishment.

The level of the education and skills of the overwhelming part of workers and employees does not correspond with the level of their wages, since the ongoing social stratification—in terms of scale and of orientation—does not correspond with the changes in the economy and the employment of the population, whose parameters are comparable with those in the majority of developed countries.

1994 will see a continuation of the formation of a lower stratum of the population which is numerically large but lacks sufficient purchasing power, whose family members are forced to channel almost all of their money incomes into the satisfaction of primary needs rather than into the acquisition of consumer durables and savings, in

other words the prerequisites for creating a firm base for stable long-term economic growth are being undermined.

The rising prices of the output of the fuel and energy and raw materials complexes have resulted in headlong increases of the prices of all other goods and services. This is the determining factor of the growth of both wholesale and consumer prices.

Thus, two years after the announcement and start of implementation of stabilization measures in Russia, there have been no positive changes in the race between consumer prices and the population's money incomes.

6. Toward Realism in Economic Policy

Viktor Chernomyrdin, chairman of the Russian Federation Council of Ministers, and Viktor Gerashchenko, chairman of the Central Bank of Russia, adopted the joint "Statement on the Economic Policy of the Government and Central Bank of Russia." This document defines the basic guidelines which the government and the Bank of Russia intend to follow when pursuing the policy of financial stabilization and market development through the end of 1993 and in 1994. The official joint statement omits to appraise the economic policy being pursued.

In 1992-1993 state enterprises strove to compensate the growing shortage of means of payment primarily by raising the prices of their manufactured output. Furthermore, deliveries were effected despite the fast growth of reciprocal nonpayments. Essentially, the enterprises' indebtedness started playing the role of additional money in circulation, seriously weakening the financial restrictions of price increases. Thus, restrictive measures in the financial-budget and monetary-credit spheres of economic regulation proved ineffective.

The progressive decline of the volume of output of industrial production and the rash abolition of state controls over incomes and prices not only prevented a substantial reduction of effective demand but also encouraged the widening of the previously formed gap between total demand and supply. This gap acquired qualitatively new features, causing an inflationary growth of prices and a corresponding decline of the population's real incomes and living standards.

The snowballing destruction of economic ties, the decline of contractual discipline, and the substantial deterioration of the enterprises' financial positions have aggravated the situation.

The enterprises' mass indebtedness necessitated a choice between tough "monetarist" policy at any price, even including the closure of numerous production units, and support for investment and consumer demand and business activity. The development of events forced both the government and the Central Bank to urgently adopt

measures and economic decisions along frankly proinflationary lines. There were reciprocal write-offs of nonpayments and enterprises were given financial "sustenance," which somewhat eased the nonpayments crisis.

But the reduction of inflation remains the fundamental objective of economic policy. Quantitative restrictions have been substantially eased. The plans were that the monthly rate of inflation would be brought down to below 10 percent by the end of 1993, and that price stabilization would be attained in 1994.

The Statement does not contain any quantitative restrictions on the amount of budget deficit, and this is a clear retreat from previous intentions.

The Statement lays down that the total budget deficit will be limited by quarterly guidelines which, in their turn, ought to correspond with the Central Bank of Russia's quarterly limits on the total growth of credits.

Russia's government and Central Bank agreed with the proposal to gradually abandon the provision of all categories of targeted credits along Central Bank lines and to switch to the provision of subsidies only from the budget. With a view to implementing monetary-credit policy on a market basis, the Central Bank of Russia will substantially increase the proportion of credits it gives to commercial banks either through credit auctions or on market terms. The Central Bank also pledged to refrain from distributing targeted credits on a sectoral or regional basis and to give credits directly to specific enterprises.

In the sphere of currency exchange rates it was confirmed that the government perceives the creation of a standard market rate for the ruble as a key element of the transition to market economy. The Statement evades the question of the ruble's convertibility, noting that the transition to a stable exchange rate is a strategic task.

Thus, it appears that there is a gradual movement toward a strategic course whose objective is to enhance the manageability of the national economy and formulate a sober policy of state regulation of economic processes. The means are: selective support for production, moderately rigid monetary-credit policy, and manageable inflation even at the cost of budget deficit. Only then will it be possible to boost output, which ought to produce a stabilizing effect.

In order to change the overall socioeconomic situation in the country for the better and overcome the economic crisis of the last few years in 1994, it will be necessary to resolve the following key tasks:

1. To halt the slump in production which has been continuing for three years running.

Sectors of the fuel and raw materials complexes, sectors producing semimanufactured goods, and agriculture will find themselves in an especially difficult position. The reasons are the shortfall in investments in these sectors in previous years and the curtailment of effective demand. This negative trend can be overcome only if the state steps up its structural regulation of the economy. It is necessary to define macroeconomically effective investment projects and finance them from centralized sources.

2. It will also be necessary to elaborate effective measures to ensure that the population continues to keep savings in the banks, even in conditions of declining levels of real money incomes.

3. To formulate and consistently implement a policy of price control, combining the regulated and free sectors in price formation.

The implementation of the proposed measures will, to a certain extent, make it possible to ease the acuteness of unemployment, which will be the main problem in the social sphere next year. At present, despite the sizeable slump in production, the unemployed represent only 4-5 percent of the able-bodied population. The stepping up of investment activity will lead to a revival of production and, consequently, to the maintenance of employment. This could be the only method for compensating the further decline of living standards. Due to the shortage of resources, the state will be able to help only the most deprived strata of the population—pensioners, the disabled, and young families with children—and only at minimal levels.

Only the fulfillment of these conditions will make it possible in 1994 to ensure stabilization of the economy, satisfy the population's most important vital needs, and create prerequisites for further stable economic development.

Section IV: IV. Protection of the Interests of Russian-Speaking Population

1. The Contemporary Status of Russians

The status of Russians today could become the most probable cause of local civil wars. People in a series of new states have moved from words and slogans to actual deeds. Latvia and Estonia, for example, beneath the banner of protecting the "indigenous population," have started introducing restrictions on the rights of the nontitular population, primarily via legislation on citizenship.

Let us recall that about 40 percent of the population in Latvia and Estonia are Russian-speakers, with 10 percent in Lithuania, while the total number of Russian-speakers, mainly Russians, in the Baltic countries approaches 2.5 million. Now they all are an ethnic minority.

There are about 950,000 Estonians and at least 600,000 "foreigners" living in Estonia at present. This separation was effected on the basis of a juridical act adopted by

parliament—the decree bringing into force the Law "On Citizenship" as it stood on 16 June 1940, in other words the day when the Red Army entered the republic. The residence qualification is two years, with another year before citizenship is acquired.

The law adopts a rigid approach toward representatives of the nonindigenous population who are already residents and have spent many years working for the benefit of Estonia. Now they have to undergo the two years' residence qualification period and a further year on probation, and must pass examinations in the language and their knowledge of the republic's history and culture.

Under the laws, more than 1.5 million people, who are automatically deprived of citizenship in the Baltic republics, could find themselves outside the political process. Their interests will not be represented by anyone.

Even the previous elections to Latvia's Supreme Soviet demonstrated the radical politicians' obvious desire to squeeze Russian-speakers out of the political process. By simply manipulating the organization of electoral districts, they ensured that the "indigenous" Latvian population representing just over 50 percent, won two-thirds of seats in the Supreme Soviet.

Under the new citizenship laws, the Russian-speaking population in Latvia and Estonia will not be represented at all in the organs of state power.

There is a sharp reduction of television and radio broadcasts from Russia. It is planned to legislatively deprive major Russian communities in the Baltic countries of the right to acquire higher education in their native language. A unilateral curtailment of the network of Russian secondary education is under way.

The offensive against Russian culture and the Russian language is one of the avenues of massive pressure on the Russian-speaking population of the Donbass, accounting for 50-75 percent of the total population in different rayons. Moreover, the fact that this offensive is carried out on such a massive scale and with impunity makes it possible to describe it as Ukraine's state policy in a region with its own history, culture, and real bilingualism. The task of leveling the national-cultural situation in West Ukraine and the Donbass by force has been set at state level.

This is proved by numerous facts. All the educational establishments are sharply and groundlessly reducing the number of study periods for Russian language and literature, while the study of the Russian language is altogether ruled out at teacher training institutes' non-specialized faculties. Thus, the Lagansk Teacher Training Institute's Russian Philology Faculty has been persistently instructed by ministerial circles to delete from its curriculum the practical training in folklore and dialectology (gathering examples of folk art and Russian dialects). The reason given is that there are no regions where Russian culture has developed in the Donbass, even though years-long expeditions prove something

completely different: Russian folk songs, tales, poems, and so on are widespread in the region, and so are Russian dialects associated primarily with the historical proximity of the Don Host.

There is a noticeable trend toward the creation of unequal conditions for tuition: The number of pupils at classes taught in the Ukrainian language is lower than that of pupils in classes taught in the Russian language by a factor of between three and five, but the teaching of a foreign language from the first grade is introduced mainly in classes taught in the Ukrainian language, and so are the new and promising curriculums in general. The new forms of educational establishment are also geared to instruction in the Ukrainian language—in Lugansk's only high school, for example, classes studying language and literature in depth are geared almost exclusively to the Ukrainian language.

Psychological pressure is exerted on lecturers teaching their students in the Russian language, and incentives are offered to those who teach specialized subjects only in the Ukrainian language. This naturally produces a drain of skilled specialists.

At the same time, people are deliberately keeping silent about the fact that the Union republics, thanks to efforts by the entire former Union and the Russian Federation's decisive contribution, created modern sectors of the national economy using technology that was at times more advanced than in the Russian Federation itself. The best forces of the entire country were thrown in to ensure higher and faster development rates for the former Union republics' economies, thus creating more favorable preconditions for the formation of production and social infrastructures actually there, rather than in the Russian Federation.

The national intelligentsia, actively influencing the self-awareness of the peoples, perceived the Russians as the most substantial obstacle to the republics' sovereignty and to the manifestation of nationalist ambitions.

The status of Russians in Kazakhstan is indicative in this regard. The introduction of a discriminatory law on languages in the republic prompted a huge wave of dissatisfaction among a large proportion of the population. Russians and Russian-speakers, deprived of any real opportunity to study the Kazakh language in the past, are unable to actively participate in the various spheres of society's life—production, education, science, management, the services sphere, and so on. The present language tuition system falls short of the demands posed by life. Dissatisfaction with the law is also expressed by 40 percent of Kazakhs who are not fluent in their native language.

The discriminatory nature of the state program on the language is boosted by the policy of state publishing houses. Thus, under the subject-matter plan for literary publications, the republic's "Ana Tili" Publishing House should have published 79 titles. The plans included the publication of nine books in the Russian language and

nine in the Russian and Kazakh languages—these are dictionaries. The remaining titles—61 books in all—are in the Kazakh language. The proportion is identical at other publishing houses. And yet it is emphasized that the republic is multinational and that Kazakhstan has signed the Human Rights Charter.

The situation prevailing in the education system is no better. Secondary schools are increasingly often converted and are switching to tuition exclusively in the Kazakh language. Furthermore, this is being done without augmenting the educational premises, thus overloading the schools where tuition is in the Russian language. No Russian, German, Ukrainian, or other schools are being opened at all.

Prospering enterprises are under attack by the nationalist mafia. Following several attacks, there are neither Russians nor Germans left any more at the "Travol" Sovkhoz, the best in the republic. Here is a typical case: There was an explosion at the Ust-Kamenogorsk nuclear fuel plant's beryllium production unit, and 120,000 persons suffered as a result. A session of Kazakhstan's Supreme Soviet, taking into account the "separatism" of Ust-Kamenogorsk's residents who demanded bilingualism, refused to proclaim the oblast an ecological disaster zone.

The galvanization of the Cossack movement is encountering sharp reaction. Kazakhstan contains the lands of four Cossack hosts—the Ural, Orenburg, Siberian, and Semirechensk. Cossack organizations are not being registered by the Kazakhstan authorities at present, while local courts have firmly ruled that "there are and there will be no Cossacks in Kazakhstan" and they are not allowed to wear their uniforms. Cossack publications are banned and they are illegally imported from Samara and Orenburg. A draft law is being prepared, under which work in Cossack organizations will be punishable.

The results of inequality are obvious: More than 200 of the Kazakhstanian parliament's 360 deputies are Kazakhs, and so are 23 of the Presidential Council's 30 members, even though Kazakhs constitute significantly less than one-half of Kazakhstan's population.

Academician Sartayev, adviser to Kazakhstan's president, declares: "Kazakhstan's lands must belong to the Kazakhs," forgetting that, back in the 1920's, the Union leadership's decisions on the creation of the Republic of Kazakhstan spoke openly of transferring to it a series of Russian oblasts.

There have been numerous attempts to insult the Russian people's heritage: Names that have been Russian since time immemorial are disappearing from geographical maps, the church at the village of Kotelnikovskaya has been burned down, the monument to Yermak the Great has been barbarously destroyed, all Russian names are being systematically eliminated in Kazakhstan's Guryev and other oblasts, while Guryev itself has been renamed Atyrau.

The falsification of history is becoming increasingly blatant: "Russia conquered and enslaved Kazakhstan" and so on. S. Akatayev, leader of the "Azat" movement, would allow Russians, Germans, and Uygurs to live in Kazakhstan because "we need someone to milk the cows, till the soil, and cast the metal." He is backed by S. Yermekova, representative of the "Alash" party: "You are allowed only to work in Kazakhstan. Keep your noses out of management."

The question of citizenship ought to be resolved in early 1994. The republic's Russian-speaking population will have to make a choice: Either to accept citizenship and legally lose any hope of help from Russia, or reject citizenship and be deprived of all political and economic rights. Therefore, a sizeable proportion of the Russian-speaking population is inclined toward the idea of migrating to Russia, especially since Russia has already adopted laws regulating the legal status of refugees.

A sizeable proportion of the Russian population living on the territory of former Union republics no longer comprises first-generation migrants and has, with perfect justification, considered these republics to be its motherland. Thus, more than one-half of Russians in the Baltic countries have been born there. Approximately two-thirds of them in Latvia either are natives of the republic or were brought there as children. The majority of the remaining one-third arrived in Latvia not of their own free will but were posted there on the republic's request as specialists in the national economy, or were ordered to go there as officers. They restored the war-torn towns and villages, rebuilt the plants and factories, or performed their military duty. Their children and grandchildren were born there.

Fear for their nearest and dearest and uncertainty about the future are forcing Russians to leave the Baltic countries and Moldova where the Declaration of Human Rights is crudely trampled and there is overt discrimination against the Russian-speaking population. Huge masses of people in these regions believe that they have been abandoned to the whims of fate and that Russia is incapable of upholding their interests.

Migration processes in the Central Asian and Transcaucasian republics depend on the overall status of interethnic problems, and any interethnic clash threatens to bring forth an exodus of the Russian population.

Thus, the protection of the rights and legitimate interests of the Russian diaspora in nearby foreign countries is the only farsighted long-term policy. The strategic task along this avenue is to achieve guaranteed living and working conditions for Russians outside the Russian Federation which not only would rule out any encouragement of their departure but also would really create prerequisites for the preservation of their national traditions, language, culture, and national self-awareness. We perceive this prospect as the development of economic, cultural,

and political trends aimed against any attempts to establish reactionary ethnocratic regimes on the vast spaces of the former Union.

It is, of course hardly possible to rely on objective reintegrational tendencies for reviving that which has collapsed under the weight of accumulated contradictions and gross errors by shortsighted politicians. There is no subjunctive mood in history.

There is, however, an alternative to such a development of events. But it is lamentable. It is, first, the loss of economic independence by the newly formed states, including Russia, following the disintegration of the single economic area and the national economic complex which was unified until the recent past; their distinctive "Westernization" and their transformation into underdeveloped appendages of major Western countries with a mafia-criminal domestic economic and political structure. It is, second, the intentional or unintentional flare-up of inter-nation or interethnic conflicts either as a result of the exacerbation and deterioration of the socioeconomic situation and the impoverishment of broad strata of the population, or due to the insolubility of questions pertaining to national-state belonging of various territories, military property, and other categories of former Union property.

If the gravest of consequences for all our peoples are to be avoided, it is impossible to ignore in politics the thousand-years old trend toward ethnic and ethnocultural development and collaboration, as a result of which a special type of Eurasian civilization started developing a long time ago across the spaces of Russia and its associated territories. The preservation of one's own state identity today is a question not only of human dignity but also of political wisdom.

All these changes will inevitably have an impact on millions of Russians and their relatives in Russia. It is natural that such a turn of events will inevitably prompt a social explosion including—and let us have no illusions on this account—in Russia itself, and will become a powerful factor for the development of interstate conflicts. Pretending not to realize this means directly encouraging such a development of events.

2. Political Aspects

A legitimate way out of the situation, from all points of view, could be provided only by restoration of the common economic, cultural, and legal area; unconditional removal of trade barriers; introduction of benefits for members of the new economic and defense union; adoption of common citizenship.

In the ninth year of "perestroika" and after three years of "democratization," Russia lacks a clear foreign policy concept. There has been no definition of Russia's priorities or a concept of the new integrational cooperation across the former USSR. This is precisely why the sluggish activity of the CIS has produced no positive results.

Russia's national priorities must indeed be the interests of the peoples of the Russian Federation and of the largest among them, the Russian people, which has for centuries been Russia's unifying nucleus and has already proved its consolidating role.

Consequently, all diplomatic, foreign political, and foreign economic efforts must focus primarily on Russia's alliance with the former Union republics which have a large proportion of Russian and Russian-speaking population. They are primarily Ukraine, Kazakhstan, Belarus, Estonia, Latvia, Uzbekistan, Kyrgyzstan, and Moldova. This will make it possible to solve the problem of almost 90 percent of ethnic Russians and of many Russian citizens who are residents in these states. It is in Russia's national interests, and regardless of the Russian diaspora's size, to further strengthen the alliance with Central Asian republics which have proved their commitment to the idea of unity at the most critical times for Russia.

3. Toward Integration Via Coordination

There is an impression that, out of the entire package of problems on whose solution the CIS ought to be working, attention today is focused only on two aspects: The supply of Russian raw materials and fuel to the NIS, and the combat involvement of Russian troops under CIS auspices in conflicts on the territory of the former USSR.

And yet the questions of paramount importance for the peaceful period of development—settling the issue of citizens' rights—are hardly ever on the agenda. The CIS today certainly needs an organ capable of coordinating humanitarian questions and easing the pressure of state borders on the collective and individual rights of citizens of any nationality.

The CIS collective organs could also coordinate the process of reforms. It is hard to revive our economic mechanism while different parts of the CIS implement divergent concepts of transition to market economy. Like, for example, when the Western republics adhere to the genuinely sensible limitations of initial privatization while Russia is engaged exclusively in "macroprivatization"—the destatization of harbors and airports, oil and gold fields, and industrial giants.

The problems that could be resolved only within the framework of a single socioeconomic area are considerably more numerous than it might appear at first glance. The problem of refugees whose solution presupposes, specifically, a system of sanctions against republics whose "democratization-liberation" policy poses a threat to people's survival and to the guarantees of their elementary rights. As well as the provision of complete secondary and higher education in the native language, together with questions concerning the pension provision for people who worked in the USSR and are now living in CIS states.

No matter how sad this may be to admit, but the initially built-in disintegrational factor still dominates the concept of the CIS two years later. The reason is the lack of a concept of unification, of a backbone around which a real, as opposed to a nominal, "community" may be developed. Russian and European experience alike show that a real and dynamic foundation for the re-creation of a single humanitarian, economic, and defense area can be provided by the interests of ethnic minorities detached from their nucleus, including the largest among them—the Russian. A concept capable of switching the CIS to the tracks of constructive collaboration will emerge only when we abandon the demagoguery about Russian chauvinism and all the other tags recently attached to the nation which succeeded in really rallying the peoples on one-sixth of the Earth's surface.

4. Problems of Migration

Without a forecast of the true extent of migration, it is difficult to determine what financial resources will be required to compensate refugees and forced migrants for the damage they have suffered and to provide facilities for new settlers, the number of jobs that will have to be created for them, the real burden that will be imposed on the social infrastructure at places where migrants will concentrate, and so on.

The return of Russians from former USSR republics and the migration of representatives of non-Russian peoples to Russia began long before interethnic tension reached the stage of open conflicts and became a bargaining chip in political struggle. Even back in 1979-1988, the positive balance of the migration to Russia by Russians who had formerly actively resettled in other republics was in excess of 300,000.

The growth of the scale of migration was also affected by the outflow of "nonindigenous" peoples from regions where non-Russian titular ethnic groups had concentrated in Russia itself—the Northern Caucasus, the Volga Valley, the Siberian-Transbaykal region, and the northern belt of the Federation.

In essence, these regions showed the selfsame symptoms of discrimination against representatives of nontitular ethnic groups as in nearby foreign countries.

Among the adverse consequences of mass migration, really great importance attaches to the growth of social stress. There is a significant deterioration of the social awareness of migrants themselves, who have lost their former status and, quite often, the prospects of social success. There is also dissatisfaction among the residents of towns and villages where they live.

Unfortunately, the help given to forced migrants or refugees by the local organs of power and population is clearly inadequate. The attempts by migrants to acquire a social niche in the new localities come up against serious objective difficulties. The level of social tension has increased wherever refugees are concentrated as soon

as they have appeared. This is noted both by the migrants themselves and by local residents.

The social and psychological atmosphere in which refugees find themselves is also indicated by the results of a poll of the population in 13 Russian Federation regions. When asked "What policy do you support?", the answers were distributed as follows (as percentage of the number polled):

Accept citizens of all former USSR republics regardless of their nationality—36 percent

Accept only Russians by descent—51 percent

Do not accept anyone—11 percent

Did not answer—2 percent

One out of every 10 persons polled is against the acceptance of migrants, while one-half of those polled are inclined toward dividing refugees and migrants into "our people" and "foreigners." These stereotypes of mass and individual awareness cannot be ignored. They were graphically demonstrated in practice in Saratov and Volgograd Oblasts during the discussion of the question of settling Germans there and re-creating a German autonomous formation in the Volga Valley.

The local population's unwelcoming attitudes toward migrants will intensify as the shortages of foodstuffs, housing, and so on worsen. This can already be seen at present.

Respondents of the all-Russia poll were asked: "What will be your attitude if refugees which may appear in your region are allocated housing out of turn, are given jobs, and are helped with money from the state budget?" The answers were as follows:

1. Attitude toward help with employment:	
positive	58 percent
negative	15 percent
difficult to answer	27 percent
2. Attitude toward help with money:	
positive	56 percent
negative	19 percent
difficult to answer	25 percent
3. Attitude toward help with housing:	
positive	29 percent
negative	33 percent
difficult to answer	38 percent

The acuteness of the housing problem in Russia, where the number of people waiting for housing is in excess of 9 million, was clearly manifested by the fact that less than one-third of those polled are inclined to support the policy of priority housing allocation for forced migrants.

This indicator of potential conflict rises sharply when the ethnic composition of migrants does not coincide with the titular ethnic group at their new place of settlement. In other words, mass migration is fraught with a "chain reaction" of interethnic conflicts, the symptoms of which can already be seen. Specifically, they take the form of growing nationalism and attempts to initiate pogroms against people of different nationality or religion in oblasts which have taken in large numbers of migrants.

There are different forecasts about the migration of Russians to Russia. The number of potential migrants could include virtually all 25 million Russians living in nearby foreign countries. Some 4-5 million people in the next 5-10 years—this is the maximum size of the migration flows which could be prompted either in the event of exacerbation of interethnic relations or as a result of the start of combat operations on the territories of former Union republics.

According to Federal Migration Service data, over the next 12-18 months we can expect between 650,000 and 1.2 million people to arrive in Russia from nearby foreign countries: 300,000-400,000 from Ukraine and Belarus, 250,000-550,000 from Central Asia and Kazakhstan, 40,000-100,000 from the Transcaucasus, and 25,000-45,000 from the Baltic countries.

The mass migration of Russians from Ukraine and Belarus to Russia and of Ukrainians and Belarusians to Ukraine and Belarus can happen only in the event of military conflict between the republics. Although in Ukraine, for example, there are even now forces prepared to instigate this process.

The situation with Russians is even more complex in Kazakhstan, where there are about 6 million of them (one-fourth of all Russians living in former Union republics outside the Russian Federation). There is a large flow of Russian migrants from Kazakhstan. This trend is growing.

It is possible to forecast three avenues and, consequently, three periods of the migration of Russians to Russia. An active migration of first- and second-generation Russians is expected from Turkmenistan, Kyrgyzstan, Tajikistan, Azerbaijan, Uzbekistan, and Kazakhstan. Between 30 and 50 percent of the Russian-speaking population intend to emigrate from there.

Some 18-20 percent of Russians intend to leave Latvia, Estonia, Lithuania, Moldova, Georgia, and Armenia. Up to 11 percent of Russians express desire to leave Ukraine and Belarus.

According to poll results, about 2 million Russians intend to move to Russia today because they feel persecuted along national and linguistic lines.

Both now and in the future the forced migrants from Union republics are mainly engineers, technicians, skilled industrial workers, teachers, and physicians, in other words strictly urban people who will be unable to

settle in the large cities because of residence permit problems. They cannot buy or build housing in towns because the law forbids it. This is why many of them perceive their situation as hopeless. There is hardly any need to comment on the political views of present and future migrants or their attitude toward the new political and economic realities which have turned them into outcasts.

There are six specialized and transit reception points for refugees open and functioning on Russia's territory. There is discussion of the possibility of setting up similar points and regional migration services in every oblast.

The Committee for Migration Affairs proceeds from the premise that this is not only a calamity but also, to a certain extent, a benefit for Russia. The government is beginning to realize that the reception and settlement of migrants will require large investments, but those returning to their historical motherland are almost the most enterprising, skilled, and industrious part of the nation.

A Public Committee for the Settlement of Forced Migrants is functioning. In just under one year it has "processed" about 1 million persons and has helped 20,000.

But the work on migration problems is fragmented, there is no coordination at state level, and resources are being wasted. Many categories of migrants have found themselves altogether outside the sphere of state regulation. It is clear that the Federal Migration Service will not be able to cope with the swelling flood of migrants on its own.

The situation calls for immediate action. There is need for a package of interlinked measures and coordinated actions by state migration organs, the Foreign Ministry, the Committee for Emergency Situations, the State Committee for Nationalities Affairs, and the public organizations. In other words, there is need for a nationwide federal program for help to our compatriots. Furthermore, this program must be given top priority from the material-financial and the political-diplomatic points of view alike.

The state's policy toward migration needs more than just serious amendments. Bearing in mind the provisional qualitative and quantitative appraisals of migration and its sociopolitical consequences, we are talking about actually elaborating a new, all-embracing, and effective migration policy. Its main actions and principles would appear to be the following: Help for forced migrants must include not only the provision of compensation, land, credits, and employment information, but also the lifting of all restrictions on residence permits and the choice of place of residence. Migrants, together with all other Russians, must be given equal rights to buy and sell at Russia's housing and labor markets and not be made hostages of "supreme state interests."

The swelling or subsidence of migration processes will depend, at the very least, on political decisions by the leaderships of various republics about protecting the rights of ethnic minorities and the pace at which the "indigenization" of the republics' populations proceeds.

There must be no delay in elaborating more precise guidelines in mutual relations between former USSR republics and components of the Russian Federation.

It is obvious, without any additional research, that today we need:

- to conclude between the sovereign states—former USSR republics—a treaty on the rights of ethnic minorities to work, education, and cultural and national autonomy;
- to do some additional work on the Federation Treaty between components of the Russian Federation. It is necessary to define and unconditionally ensure economic, social, and political guarantees for refugees, victims of interethnic conflicts, and forced migrants regardless of their nationality, religion, ideological beliefs, or the regions whence they have arrived;
- to conclude between the Russian Federation components an agreement defining the amount, procedure, and mechanism of compensation for refugees and forced migrants and having the damage they have suffered compensated either by the responsible side or from the state budget;
- to legislatively guarantee the representation of different ethnic groups in the Russian Federation at the organs of power, taking more effectively and more deeply into account the ethnic problems and interests of different peoples in economic, social, and cultural policy;
- to constitutionally define the diverse national movements reflecting the interests of various ethnic groups, including those without their own national and ethnic formations on the Russian Federation's territory;
- to proclaim a moratorium on the transformation of the territories of former autonomous formations whose objective is to reshape existing borders
- to implement measures to equalize and raise living standards in different national-state formations;
- to elaborate unified programs for the socioeconomic and cultural development of regions where different ethnic groups are concentrated (the Northern Caucasus, the Volga Valley, the Northwestern region, and others);
- to define the geography of a better resettlement of repatriates and the amount of resources needed for providing the necessary facilities;
- to prevent the excessive concentration of migrants in individual regions of the country like, for example, Stavropol and Krasnodar Krais and some others;

- to promote an improvement of the psychological climate surrounding migrants and to define sanctions against organs of power and citizens fanning enmity between the local population and migrants;
- to make much better use of the professional potential of workers and engineers from among forced migrants and refugees;
- to organize the retraining of migrants with a view to reducing the army of forced unemployed;
- to encourage entrepreneurial activity by migrants (temporary benefits in the taxation of small business);
- to form special budget and extrabudget funds for the effective resolution of these and other emerging problems.

The republics' parliaments must revisit the problem of the Russian language's status. It must be given the status of state language wherever it is used by the majority of the population. This approach is in line with international norms and would obviously promote the further harmonization of interstate relations.

There also is a pressing need to conclude interstate agreements on human rights with all former Union republics. Monitoring of their fulfillment could be carried out at both state and public level. The status of economic relations with various states must depend on the observance of these international agreements and the principles of international law.

It is expedient to support the creation of trade and economic centers in Moscow and Russia for Russian communities abroad, to assist Russians in enrolling in higher and specialized educational establishments, and to sponsor and support Russian schools and the Russian language and culture.

All peoples of Russia are fraternal for the Russian people. Our people desire to live in peace and friendship with the peoples of all other countries. Our concern about the fate of Russian people is not aimed against other peoples and states.

Russia's path leads through peaceful solution of problems and mutual cooperation to universal and just peace.

5. Problems of Russia's Economic Mutual Relations with CIS Countries

The rate of the slump in production and inflation continued to grow in CIS countries in 1993. The government of not a single CIS republic succeeded in halting the process of economic decline. On the whole, the total volume of industrial production in the Community was reduced by 20 percent in comparable prices over the year.

The "shared" slump was not affected to any large degree by the different nature and pace of economic reforms in different countries. In the conditions of "transparent" borders and unified money circulation within the ruble

zone, the lack of coordination in economic activity hurts the finances of "neighbors." The imbalance in reciprocal deliveries has already evolved into an imbalance in the international settlements of CIS countries.

On the whole, it is possible to agree with the opinion of World Bank associates K. Mikhelopoulos and D. Tarr: "The situation as regards trade and payments in the former Soviet republics was distinguished by chaos, which reflected the existence of a series of problems. The disorganization of the credit, monetary, and payments system was at the heart of these problems.

"The main problem is that the reduction of interrepublic trade will promote the further decline of the volume of output and incomes. Therefore, political strategists will have to create mechanisms for the transition period which would help the new states to restore the effective flow of trade and avoid further serious breaches of this flow in the short term, supporting in the longer term the restructuring of their economy and its integration in the world economy." After all, the sharply increased dependence of each CIS state on the external markets becomes a condition for the functioning of their economies. As a matter of fact, these realities are only just being realized and taken into account in the economic practice of CIS countries.

On the whole, as 1993 has shown, the stepping up of the economies' "external" dependence will continue. This dependence will be most graphically demonstrated in the sphere of satisfying the CIS countries' energy needs.

"Sovereignization" has undermined Russia's potential as energy supplier. Let us add for objectivity's sake that cutbacks in the rate of oil extraction started four years ago. According to estimates by Russia's Ministry of Fuel and Energy, oil extraction dropped by a further 50 million tonnes in 1993, in other words will reach only 340 million tonnes. If this pace of reducing the extraction of black gold is maintained, then in the very near future the fuel and energy complex will be working to meet only Russia's own needs, which today stand at 240 million tonnes.

Oil exports increased more than threefold, but this increase was accompanied by a reduction of deliveries to CIS countries by an average of 50 percent. In this context, Russia could be suspected of waging a "cold war" against Ukraine and the Baltic and Central Asian countries. But such an approach would be based on inertia of thought. Facts prove whether it is advantageous for Russia to deliver oil products to the former republics. Russia delivered its output (primarily raw materials which are competitive on the world markets) to nearby foreign countries at prices equivalent on average to 30-40 percent of world prices, and acquired from nearby foreign countries output at prices equivalent to about 70 percent of world prices. Moreover, in many instances Russia often failed to receive any payment at all for its exports. For example, having delivered to nearby foreign countries about 50 million tonnes of oil

to a total value of \$6.5 billion, by way of payment it received machinery and equipment worth only \$700 million.

But Russia's external economic dependence was also increasing and has almost trebled, having reached 14-15 percent of GNP. This is more than in India and Japan, let alone the United States. External dependence demands additional foreign currency resources for the economy's functioning. Naturally, some of the sources are gas, oil, and oil products.

Coming back to the idea of "cold war" against Ukraine, it is appropriate to recall one contentious problem: Last year Ukraine sold abroad, at world prices of course, 8 million tonnes out of the 33.5 million tonnes of oil it had received from Russia. According to some estimates, the amount earned from this deal is equal to, for example, the costs of building a major international airport at, say, Novosibirsk, capable of earning an annual profit to the tune of \$700-800 million.

Russia's economy today bears the heavy burden of additional export and import expenditures associated with transit charges for crossing the territory of neighboring states, but the safety of goods in transit is not guaranteed, not even by Ukraine. Of course, the press cites numerous facts about Russia's debt to other CIS republics, but the overall balance is this: Russia had a positive balance of about \$750 billion. Similar trends will also persist next year, even though the government has taken a series of measures to put an end to nonpayments.

Appraising the situation in Russia's economic ties with nearby foreign countries, it can be said that 1993 saw the "start of sobering up from euphoria" in the CIS. It is, of course, premature to conclude that the balance of centrifugal and centripetal forces shows that the latter are stronger. But this awakening, coupled with disappointments and lost illusions, has also brought in a certain proportion of common sense.

Section V: V. The Creation of Favorable International Conditions for the Implementation of Reforms in Russia

1. Existing Realities

In order to elaborate Russia's strategy in the sphere of national and international security, it is necessary to analyze the position it occupies in the world and the essence of its international interests as determined by the profound changes of the last few years. There are four main factors making up the system of Russia's policy guidelines at least for the 1990's.

THE FIRST is the fact that the Soviet Union has disintegrated, thus putting an end to the world's bipolar structure. There has been a radical change in the geopolitical role played by Russia, which has become a component of the world community. Russia has inherited from the USSR 75 percent of its territory, 51 percent of its population, 60 percent of fixed production assets (in terms of value), and 76 percent of enterprises producing

means of production. It accounts for 90 percent of oil extraction, 73 percent of gas extraction, 63 percent of electricity generation, 80 percent of crude oil exports, and almost 100 percent of natural gas exports. It produces more than one-half of the GNP produced in the USSR in 1990.

But Russia is not just smaller than the USSR in size—it has found itself in a fundamentally new environment to the west and to the south, where the former Soviet republics lie. Furthermore, some of them have been profoundly hit by domestic instability, they are extremely susceptible to external influences, and are in conflict with one another. The paradox is that formally these are foreign countries as far as Russia is concerned. In fact, however, they remain inseparably linked with it both by their common historical past and by the multitude of living economic, cultural, social, and psychological bonds.

THE SECOND FACTOR. Russia is experiencing a most profound economic and sociopolitical crisis whose solution still lies far into the future. At the same time, by dint of its size and of the political and strategic legacy inherited from the USSR, Russia remains one of the world's leading countries.

It will not be at all simple for Russia to find its place in the international arena.

Russia's new leadership bears the burden of a difficult twin task: To create a new system of foreign and domestic policy, turning it into a catalyst of radical market reforms, and at the same time to overcome the burden of problems inherited from the past.

THE THIRD FACTOR. The Russian Federation as a genuinely democratic republic. Russia no longer has a planned economy, but it still has not acquired a market economy. The unitary state has collapsed, but the best possible balance between central and local power has yet to be found. Furthermore, the Federation today faces the threat of disunity and fragmentation into "separate principalities."

Finally, **THE FOURTH FACTOR** is associated with changes in the surrounding world.

We are witnessing the onset of a more traditional but also a much more complex time of multilateral diplomacy, intricacy of contradictions and coincidence of states' interests, shifting coalitions, and limited political goals. The threat of a universal war is declining, but there is a growing danger of local conflicts fraught with escalation of combat operations in various regions.

All this indicates that the maintenance of peace in the future will require active work by international and regional organizations to ensure collective security, as well as joint peacemaking actions by the powers.

Proceeding from what has been said above, what are our fatherland's main foreign policy priorities?

At present Russia has three interlinked supreme foreign policy priorities.

The first is to ensure political stability in the country, prevent war, and settle armed conflicts on the territory of the former USSR, both within and between individual republics, primarily by political means.

The second is to prevent the emergence of hegemonic powers in Europe, South Asia, and the Far East which would strive to extend their influence to regions in the former USSR where the situation is unstable.

The third is to preserve the status of a great power occupying a special position in the world's geostrategic structure.

The main point for Russia is to ensure political stability and to prevent and settle conflicts across the former USSR. Should instability and potential conflicts there grow further, this would threaten both Russia's territorial integrity and its economic and democratic reforms. The maximum (desirable) task is economic and political integration on the basis of equal rights, voluntariness, and mutual advantage for CIS countries, primarily Russia, Ukraine, Kazakhstan, and Belarus. If the desirable proves unattainable, then the vitally important minimum task for the Russian Federation is to prevent the creation of a hostile coalition.

Russia is proceeding from the premise that the Helsinki principle of the inviolability of borders must provide the foundation of mutual relations between the former USSR republics. Any revision of borders would be permissible only via peaceful talks. Sanctions, including the use of force, would be permissible only in the event that a country's leadership pursues a policy of genocide toward ethnic minorities, and this is recognized and defined as genocide under UN rules.

Germany, Turkey, Japan, China, and others are potentially capable of posing the threat of regional hegemony to Russia in the 1990's. Of course, nobody is accusing the aforementioned countries of currently acting along this avenue. But a sober forecast of the shifting balance of forces and of the geopolitical situation makes it mandatory to consider the possibility of changes in their policy which are not even contemplated at present.

The United States is Russia's most important partner in countering regional hegemony. The remaining centers of power are still not capable of really influencing the situation in hot spots, be they in the Near East, Angola or Yugoslavia, the Caucasus or Afghanistan.

Russia is planning to pursue this priority using different methods in different regions. In Europe, for example, the guarantee for preventing any military-political expansionism by leading states is perceived in the development of European integration and the strengthening of the CSCE as an organ of collective security and collective response to any potential aggressor.

In the past, the USSR used to advocate the simultaneous disbandment of NATO and the Warsaw Pact Organization [WPO]. Not only has the NATO bloc not been disbanded, but it is actually building up its might. This organization cannot be smoothly transformed into a European security structure. We believe that a stabilization of the situation in the Russian Federation on the basis of market economy and the development of democracy will create the need for a fundamentally new international organization, possibly on the basis of utilizing and developing elements from the structures of the EC, the West European Union, NATO, and the CSCE and with participation by Russia, the United States, and Canada.

The Russian Federation's policy in Asia Minor [Malaya Aziya] and South Asia could take the form of direct, including military, resistance to outside interference by agreement with the republics under threat. The nature of the multipolar world adjoining the Transcaucasus is much more complex. Russia's partner here is objectively Iran, and Turkey in South Asia. The maintenance of a certain balance between them is in line with Russia's interests, despite the fact that the West would obviously give preference to Turkey as a member of NATO.

The maintenance of the U.S. military presence in Japan is in line with Russia's interests in the Far East. In the event of withdrawal by the United States and of China's headlong economic and military strengthening, Japan's reaction could only take the form of accelerated remilitarization. A clash between the two huge powers over Korea, Taiwan, Hong Kong, or Southeast Asia could also involve Russia in the conflict.

Any sharp change of the balance of forces in favor of China or Japan and the emergence of hegemonic aspirations in one of the two powers could pose a direct threat to Russia's Far East.

It is obvious that Russia needs to retain its positions as a great world power. This means Russia's participation in the UN Security Council as one of its permanent members and its role in other international structures. It also means participating, as far as possible, in the maintenance of peace and the repulsion of aggression, including along the lines of peacemaking forces within the framework of the Security Council, the CSCE, and others, and genocide-terminating operations sanctioned by the United Nations and regional international organizations.

Russia advocates active prevention of the proliferation of nuclear and other mass destruction weapons, a tougher regime to control the deliveries of missiles and missile technology, and the elaboration of agreed quotas and restrictions on the arms trade as a whole.

The problem of Russia's military-strategic parity with the United States deserves special mention. It will be necessary to continue the mutual balanced reduction of Russian Federation and U.S. strategic nuclear forces on new terms. Here we need a transition from mutual

deterrence through the ability to deliver a crushing counterstrike on the aggressor to joint management of strategic stability. This is why talks will constitute the sphere of special mutual relations and mutual interests between Russia and the United States.

2. National Interests

Let us examine Russia's specific national interests from the viewpoint of international security.

Retaining the great-power status. This is Russia's natural right, vested in it thanks to its economic potential, the successes it has achieved in science, culture, military might, and so on.

Guaranteeing Eurasian stability. Whenever the Eurasian balance of forces has been disrupted, Russia has traditionally been the main victim.

Therefore the desire by any one state or coalition of states to dominate Eurasia will not be in Russia's fundamental national interests.

Nor can our interests be served by attempts to isolate Russia, squeeze it out of the Black Sea and the Baltic Sea, reduce foreign economic commodity turnover, change its structure, and so on.

Ensuring political and economic stability in states all along Russia's borders. This is a key interest for any power, but the problem of preventing the emergence of conflict zones along the borders is especially important for Russia, which has the world's longest land border, and with its complex relations with neighbors which are rooted in the past.

Parrying and preventing potential threats. The world in which we are living now is a world of power partnerships and power rivalry within the framework of rigid durable structures.

Despite the changes which have occurred in the last few years—especially the end of the "Cold War," the improvement of relations between the United States and Russia, the rapprochement to a certain extent between East and West Europe, and so on—more sophisticated principles of power balance and power collaboration still remain the foundation of contemporary international relations. Indicators like economic, scientific, and intellectual potential play a greater role in the system of state might. But the military component still dominates the structure of interstate power.

Real military nuclear-missile confrontation on a global level remains only between Russia and the United States for the time being. The continuation of nuclear confrontation between our countries is objective and inevitable in the foreseeable future. Furthermore, the growing nuclear-missile potential of the PRC and West Europe also poses a military threat for Russia in the 1990's.

Finally, Russia's cultural security and its originality are threatened by the West's liberal individualistic ideology,

to the extent that collectivism still dominates awareness and thinking and today's Russian reality.

At the regional level it is necessary to proceed from the fact that, in the event of exacerbation of the domestic crisis, virtually all of Russia's neighbors could potentially raise sundry territorial claims. Although the economic, cultural, and other categories of security are not obviously linked with military security, many armed conflicts have started with mistakes committed in non-military spheres. Therefore the prevention of threats to Russia must be actively waged across the entire spectrum. This is Russia's main national interest.

3. Foreign Policy

We deem it important to single out the following basic objectives and guidelines for defining the strategy of Russia's development and behavior in the world community of peoples.

The Russian Federation is constantly present in the arena of world political life. It is a different matter that Russia's domestic situation and its geopolitical environment at present do not favor the pursuit of an active global policy, and its regional interests will call for the greatest of efforts in the next few years. The possession of a mighty nuclear potential does not change the situation, either. For the first time in many years, our country is in a situation whereby it does not face any definite or in any way significant external military threat.

Territorial disputes involve countries which will certainly not resort to military force for their solution provided, of course, Russia remains a united state. All this is exceptionally advantageous for concentrating the country's efforts on the solution of the domestic tasks concerning radical transformations and the problems constantly emerging in mutual relations with CIS countries.

Relations with Germany, at least over the last two centuries, have occupied a central position among the priorities of Russia's foreign policy. But the experience of the 20th century, with its two world wars, the cruel battles without precedent in history, and the huge sacrifices and destruction suffered by both sides, would seem to indicate the irreconcilability of the two countries' interests. True enough, the period between the two wars produced a whole range of mutually advantageous economic—and even military-technical—cooperation. That was the period when the average German realized that the situation in Germany develops well whenever its relations with Russia are good.

Russia needs a new East Asian and Pacific policy. Its backbone must be provided by relations with China as its main partner not only in the region but also in the broader global context. The positive potential in the history of Russian-Chinese relations is much more powerful than the negative. Both countries' interest in the preservation of each other's integrity is a most important factor of Russian-Chinese collaboration. The complexity

of the problem of the Korean state's unification also prompts China and Russia alike in the direction of a unified approach toward maintaining the immutability of World War II's results in the Far East. Both countries are reliable partners in the cause of unconditionally observing the Yalta Conference decisions on the Far East, in other words confirming Outer Mongolia's status and the fact that the Kuril Islands and South Sakhalin belong to Russia.

It is possible to define the following long-term interests of the security of the Russian Federation:

- Preserving general stability in the world, capable of resisting local armed conflicts.
- Eliminating the seats of tension close to the Russian Federation's territory and fraught with the explosion of armed conflicts.
- Maintaining normal relations with all states, primarily with European and Asian states, and elevating these relations to the level of partnership.
- Strengthening and developing the peacemaking potential of the United Nations, the CSCE, and others with a view to the earliest possible political settlement of conflicts threatening to evolve into armed clashes.
- The further deepening of the process of disarmament offers an opportunity to reduce the Russian Armed Forces to the minimum level necessary to ensure external security and honor the Russian Federation's international commitments.
- Restoring the Russian Federation's international prestige as the legitimate heir of the former Soviet Union and a great power recognized by the world community.

The fewer the forces being diverted externally, the faster will the establishment of Russian statehood proceed. In the conditions of the world's deepening interdependence, this can happen if the international situation remains stable for a number of years on end, without armed conflicts capable of shaking this stability.

At the same time, it is impossible to rule out the probability of local conflicts flaring in regions where there are confrontations along religious, nationalist, or other lines. Unfortunately, these regions lie along the former Soviet Union's southwestern and southern borders.

It is in Russia's interests to eliminate any local conflicts developing in the world by political means and as swiftly as possible. This is why the Russian Federation must support by all possible means the political peacemaking potential of the United Nations, the CSCE, and other international organizations.

It is in our interests to follow, jointly with the other powers, the path of deeper reductions of armaments and armed forces, guided by the principle of sufficiency for

defense. Sensible reductions of Russia's Armed Forces and armaments will not only ease the economic burden but will also make it possible to utilize the high technological potential of defense enterprises for the Russian economy's recovery. When determining the size of the armed forces Russia needs, it is also necessary to consider its commitments for the maintenance of universal peace.

Russia's medium-term interests include normalizing and stabilizing both its domestic situation and the situation in its immediate environment—the CIS countries, Yugoslavia, and Afghanistan. They include:

- Normalizing and stabilizing relations with CIS countries, reaching agreement with them both on the coordination of common policy and on specific actions in the sphere of mutual security.
- Elaborating and introducing a system of collaboration with NATO countries, strengthening ties between CIS countries in the defense sphere.
- Achieving an accord, acceptable to Russia, on settling the question concerning the southern islands of the Kurils chain so as to lift the barrier to the development of relations of cooperation with Japan.
- Agreement with the PRC, enshrining the fact that the sides have no reciprocal territorial claims.
- Normalizing relations with the Afghanistan-Pakistan-Iran triangle with a view to elaborating an agreement on mutual recognition, inviolability of borders, and establishment of cooperation, including in the defense sphere, but without in any way infringing upon the close relations with India.
- Establishing normal relations with all states which will emerge in the place of the former Yugoslav Federation.

Special attention must be given to conflicts flaring both within and between CIS countries, including armed conflicts.

There is no time to be lost, therefore the task of normalizing and stabilizing relations with the CIS countries cannot be put off and must be included among medium-term tasks.

Awareness of the community of interests in ensuring collective defense will be an important factor of the development of centripetal forces.

The next two to four years will be especially important for the Russian Federation's future. It will be virtually impossible to resolve the tasks of economic revival without eliminating conflicts and their potential sources. Proceeding from this premise, it is possible to define the following short-term interests of the Russian Federation's security:

- Terminating interethnic conflicts in regions adjoining the Russian Federation's Caucasian border.
- Reaching accord on an economic area within the framework of the former Soviet Union and the appropriate border regime between states.
- Implementing the accord concerning the state border security regime along the entire perimeter of the former Soviet Union.
- Reaching accord between the Russian Federation and other CIS states on questions of protection against nuclear attack and of strengthening the international regime for the nonproliferation of nuclear weapons.

The sobering up which is occurring in CIS states in the economic sphere and the growing awareness of the consequences of the breakdown of economic ties indicate that this avenue could successfully serve the solution of the tasks of ensuring Russia's general safety and security. It is obvious that, in order to organize a single economic area, it will become necessary to solve the questions of border regimes both between CIS states and along the former Soviet Union's perimeter. Unless this is done, it will be impossible to avoid economic sabotage, close the external borders (otherwise the Russian Federation's borders will also be penetrable), halt the rise of crime and especially of organized crime, and so on.

The most vulnerable sector of the Russian Federation's border lies in the regions of interethnic conflicts. It is therefore in our national interests to extinguish all interethnic conflicts along the Caucasian border and achieve the restoration of peace and tranquility there.

In today's conditions it is impossible to ensure the security of borders between CIS countries without help from the Armed Forces. From the political viewpoint it would be disadvantageous for Russia to become the first to introduce armed protection of borders with CIS countries. It would therefore be expedient to begin with a general accord on border regime: What will be the nature of borders, the extent to which Armed Forces will participate in their protection, and so on.

It would be expedient if the new states were to use their own forces to protect their borders. This applies especially to the southern borders. This section of the border has been closed in Russia's interests, but it is unfair for Russia alone to bear the responsibility and costs.

It is in the CIS states' national interests to receive guarantees against nuclear attack, the likelihood of which has to be taken into consideration in today's world. The Russian Federation is in a position to back up such guarantees. At the same time, however, we are interested in having all CIS states join the regime of nonproliferation of nuclear weapons.

The nuclear powers today are interested in strengthening the regime of nonproliferation of nuclear weapons and ruling out any access to them for adventurist and irresponsible politicians. Furthermore, joint actions by all

nuclear powers in this sphere promote the development of relations of trust between them, which is also in line with the Russian Federation's interests.

4. Threats to the Preservation of State Stability and Security. Measures for Their Neutralization.

The idea of "superpower status," based upon unrestrained militarization, was the primary cause of the Soviet Union's defeat in the "cold war" and its subsequent collapse. The Russian Federation's return to such a policy would pose the greatest threat to its statehood and security.

As for the external threat, its nature has changed. Whereas previously the armed threat originated primarily from the West, there is no worry originating from this direction at present. At the same time, it would be premature to rule out military danger from the southwest in the event of any protraction of the armed conflict in Yugoslavia, capable of involving neighboring countries. The conflict's religious aspect is especially dangerous, because we are talking about three faiths with adherents in many countries, including the Russian Federation.

Romania could also produce a seat of tension, or rather an outburst of Romanian great power chauvinism which has not abandoned the idea of re-creating a "Greater Romania" incorporating Moldova and the Dniester Region lands. Should this happen, any such actions by Romania will inevitably prompt reactions in Bulgaria (the Dobruja question), in Hungary (Transylvania), and even in Russia (the Dniester Republic).

A dangerous seat of military threat could develop in the region adjoining the Caucasian and Central Asian CIS states. Islamic fundamentalism comprises mighty forces and, in today's situation, it nurtures the hope of creating a bloc of Islamic states under the auspices of Pakistan, Iran, and—less likely—Turkey. Such a bloc will inevitably try to include in its orbit Azerbaijan, Turkmenistan, Uzbekistan, and Kazakhstan. It cannot be ruled out that it might attempt to influence Kyrgyzstan and Kazakhstan as well.

When evaluating this danger, it is necessary to take into account the changed nature of mutual relations within the triangle of the Russian Federation, the Arab countries, and Israel. The normalization of the Russian Federation's relations with Israel and the latter's "sustenance" through emigration from Russia, coupled with the fact that the Russian Federation has to a certain extent distanced itself from Libya and Iraq, are providing grounds for growing anti-Russian feelings in the Arab countries.

Finally, it would be a mistake to completely rule out the possibility of military pressure from the southeast or from China. Should this happen, demographic pressure will not be the only factor in operation.

Elaboration of national consensus on foreign policy questions.

It is an axiom that a state is strong through the unity of its citizens' positions. States have overcome the difficulties facing them most easily when there has been a community of views among their citizens.

It is important to make the majority of the population aware of the benefits and even the inevitability of Russia's present course of friendly relations with all countries while reducing the volume of its external commitments, primarily those imposed in the past for ideological reasons.

Continuation of the course of achieving accord on disarmament questions.

The widespread differences of opinion on whether the course of achieving accords on further reductions of armed forces and armaments is advantageous for Russia are, to a certain extent, harmful to the elaboration of national consensus on foreign policy questions.

The time has come to abandon propaganda declarations like the complete ban and withdrawal of nuclear weapons and to take a realistic point of view: A certain quantity of nuclear potential is a guarantee of security both for the Russian Federation and the CIS states.

In addition, it is necessary to aim, both now and in the foreseeable future, for a rational regulation of the balance of the nuclear missile potentials of Russia, the United States, Britain, France, and China, which remains the stabilizing foundation of the contemporary world order. This regulation ought to be implemented through deep cuts of nuclear arms, the strengthening of the regime of nonproliferation of mass destruction weapons and missile technologies, and the creation of a global system for the world community's protection against nuclear missile attack, as proposed by us.

The switch to this point of view will facilitate talks with the other nuclear powers, including talks on the most rational level of nuclear deterrence.

It is also important to emphasize that we are hoping for understanding of our desire for real nuclear disarmament by Ukraine, Kazakhstan, and Belarus. We are counting on their joining as soon as possible the Treaty on the Nonproliferation of Nuclear Weapons as nonnuclear states, and ratifying the START I Treaty. Unless this is done, the new treaty's future will be problematic.

Utilization of NATO's experience.

In the process of coordinating defense and military organizational development with the CIS countries, it is necessary to take into account the experience of both the WPO and NATO. The development of political ties in NATO started considerably earlier and along a multitude of avenues, including ties with the public through the North Atlantic Assembly. Consequently, the weak ties within the WPO did not withstand the political trials, whereas ties within NATO enabled this organization to adapt to changing circumstances.

Shifting the provisions of the Fundamentals of Military Doctrine to the practical plane.

A cementing role in mutual relations with CIS countries in the military sphere could be played by shifting the Russian Federation's defensive doctrine to the practical plane. Joint peacemaking operations by the armed forces are most profitable. The need for such operations in the short and medium term will remain great in the light of the dangerous instability in a series of regions of the former USSR.

A considerable role in the maintenance of normal mutual relations with nearby foreign countries could be played by the pooling of efforts to create a common system of CIS air defense, as well as a missile early warning system utilizing missile early warning facilities sited in regions of the former USSR (the Crimea, Moldova, Belarus, and elsewhere).

Transition to mixed manpower acquisition for the Armed Forces: on contract basis and under the Law on Military Service.

The growing complexity of combat equipment raises with increasing urgency the question of the Armed Forces' professionalization, and this line must be adopted as the main line for all military organizational development plans. At the same time, it must be borne in mind that the country must train a reserve for the event of unforeseen circumstances, and this demands the retention of the military service draft on certain conditions.

Such a dual structure could also prove suitable for the Internal Troops: Supplementing the cadre strength from the reserve. Such a structure has been successfully functioning for a long time now in the United States and Britain. The attachment of the reserve to territories would help solve political-nationality tasks by creating a sense of confidence and self-respect among ethnic groups and nationalities. The attainment of this goal will also be promoted by the Cossack movement's revival. The inclusion of Cossacks in the general reserve will make it possible to consolidate the Cossack movement's positive aspects.

Final uprooting of wars as means for solving international and interethnic conflicts.

The development of collaboration between states, the elaboration of mutually acceptable positions on key issues, and economic and political integration are increasingly becoming the predominant trend in international relations. Military force is correspondingly and gradually losing its importance as an instrument for exerting direct influence. It is becoming more of an "ultimate" means for preventing any destabilizing development of events and for containing or terminating any aggression threatening our national security.

This trend is exceptionally important for Russia. At present we cannot rely on the Armed Forces alone. They

were created primarily on the basis of global strongarm confrontation between East and West and are not adequately capable of meeting the changed spectrum of threats to our national security. The current transition period in military organizational development is associated with the disintegration of the former USSR Armed Forces, the difficulties of establishing new relations between the republics in the defense sphere, the complexities of material backup for the disarmament and conversion programs, and finally the launch of military reform.

Russian military strength will, without any doubt, continue to serve as an "ultimate" means of deterrence against external threats and of ensuring our national security.

Taking into account the objective reduction of the role played by military strength as the main instrument for protecting Russia's national interests, the foremost task now is to create a system of collective responsibility by CIS states and by states—former USSR republics—which have not joined the Community for the maintenance of peace in the region, the earliest possible resolution of conflicts on its territory, and the elimination of seats of armed confrontation. Russia could initiate the creation of a Regional Security Council which, in its activity, would implement the UN ideas of collective security.

It is well known that the breeding ground for ethnic conflicts is created primarily by violations of human rights, the trampling of ethnic minorities' interests, the insulting of national dignity, and the most acute problem of protecting the rights and interests of the Russian population in nearby foreign countries. It is necessary to juridically formulate guarantees of legal defense, including the right to hold dual citizenship. This would be promoted by the creation of an International Commission for the Scrutiny [identifikatsiya] of National Legislation.

There have been forecasts of the inevitability of ensuring collective security by force and using peacemaking forces in hot spots on the territory of the former USSR. Without ignoring the role of the United Nations and the CSCE, it has to be clearly realized that the conflicts are occurring within the zone of Russian interests. This is admitted by the parties to the conflicts themselves when appealing to none other but Russia. Proceeding from this fact, it is necessary for the United Nations and the international community to give Russia's peacemaking forces a mandate to operate in the region's conflicts zones under UN auspices and with the status of "blue helmets."

One of Russia's most important foreign policy objectives is its participation in the strengthening of Eurasian security. Russia cannot accept the tendency toward NATO's expansion via the admission of East European countries to the bloc. This approach is akin to the building of a new "movable Berlin wall."

This would require the solution of many questions, both purely military and economic. The strategic grouping of Russia's troops in the West now is such that the potential admission of former WPO countries to the North Atlantic bloc would necessitate its radical restructuring involving huge economic expenditures, let alone any other losses the country's national economy will incur.

The formation of a collective security system must be switched to a new track: By proposing the disbandment of NATO and the formation of a new, broader, and more open structure with participation by Russia and the East European countries (possibly through the CSCE).

The positive experience accumulated by the CSCE must be extended to other regions in the world. On the basis of Russian interests, primarily to the Asia-Pacific region. By galvanizing its foreign policy in the Asia-Pacific region, Russia could initiate the launch of a process similar to the CSCE in this region and the holding of a summit conference (following the Helsinki model). One of the stages of this process could be the convening, on Russia's initiative, of the first Asia-Pacific interparliamentary conference in, for example, Vladivostok.

Two specific initiatives are proposed: To hold talks to define quotas for the arms trade and to create a permanent Conference of Arms Exporting Countries within the framework of a new international organization to be set up in the place of COCOM [Coordinating Committee for Multilateral Export Controls].

There is full justification for placing ecology issues among the series of international security problems. The conclusion of an international convention on liability for damage done to the environment as a result of the nuclear arms race could be an effective measure for the maintenance of "international ecological security."

Two main trends dominate the West's policy at present:

- a) To use all possible means to push Russia into copying the Western, primarily the U.S., model regardless of any consequences for the country and the population.
- b) To prevent Russia from taking full advantage of the West's modern technological achievements and drive it mainly toward the production of raw materials, fuel, and semimanufactures, in other words to sink the country in backwardness, in the "third world."

Many people believe that any expectations that the West and the United States will help the revival of a mighty and independent Russia are at best naive. The West is increasingly losing its interest in us because, first, we have lost our former economic and military strength and, second, we are no longer claiming to be creating a social alternative to the West. At the same time, as can be seen from B. Clinton's speeches, in the long term and by attracting resources for its modernization from Germany and Japan and possibly from France, Italy, and Britain, Russia could weaken competition between the Western powers in the economic sphere.

It is also worth noting the question of reviving the bipolar system but on a completely new basis. The idea of forming a "second pole" is certainly not the product of abstract imagination or a speculative project. The shortcomings and dangers of the "monopolar system" make it necessary to consider the alternative idea of a "second pole": The U.S. monopoly as the sole world leader could tragically destabilize international relations. By its very nature, the bipolar system offers a more stable basis for cooperation between the centers of world politics.

It will enable the "third world" countries, China, and Russia to protect their common and individual interests in a more or less organized way and, consequently, to guarantee the greater effectiveness of their efforts.

The creation of a "second pole" could also strengthen military-political stability in the countries adjoining it and could become an instrument for settling conflicts without the West's interference.

A serious motivation for this could be provided by the need to protect national cultural assets, to counter the expansion of Western mass culture, and at the same time to pool efforts for the shaping of competitive national cultures on the basis of the peoples' own vital values and the renewal of their traditions. Equal collaboration between all cultures could serve as a counterweight to the hegemony of Western mass culture which is being implanted.

Finally, a substantial justification for forming a "second pole" is provided by the quest for a new type of civilization to replace the dominant industrial-capitalist one, whose exhaustion and crisis are increasingly obvious and universally recognized. This objective could attract sympathy for the "second pole" among many progressive streams in the West, which are concerned with the quest for a new way of life.

Collaboration between the two centers would most probably lead to positive changes in the nature and content of the first pole's activity and give it a more realistic orientation. Even the actual discussion of the problems of creating a "second pole" could lead to favorable, albeit partial, positive changes. In our opinion, bipolarity will accelerate the process of forming a global system on the basis of the balance of interests and become a step in that direction.

All of mankind, including the Atlantic center, is interested in creating the "second pole" because it offers a program for extrication from the crisis being experienced by the whole world. Although the "second pole" is needed partly as a counterweight to the first, their relations need not be antagonistic but could be built on the principle of cooperation, including cooperation between the United States and Russia.

A return to the bipolar model of the world is not the only possible option. The multipolar system also has its advantages. In any case, it is important to ensure that

this system guarantees stability and Russia occupies in it a position befitting the status of a great power.

5. Disarmament Problems

Russia did not inherit any military-political allies from the USSR. It is objectively unable to maintain the mighty armed forces which the Soviet Union had. In many directions, the parameters of Russia's defense were moved far beyond the limits of its state borders. Now the country either has no such parameters, or they have ended up being unusually close to its central regions.

The end of the "great confrontation" between the two superpowers did not lead to the triumph of the principle of nonuse of force in international affairs as proclaimed by the United Nations, or to the disbandment of military-political alliances created, or so the explanation went, to parry "the Soviet military threat." Moreover, the sole remaining "superpower" displays a noticeably stronger desire to impose its will wherever it feels that U.S. interests exist, including the Baltic countries.

There is no need to explain that if Russia intends to solve its own problems guided by its own national interests, it must be strong in every respect including—by no means least—in defense questions. We have the full potential to do so.

This does not run counter to the long-term peacemaking guidelines proclaimed by Russia's president in his January 1992 message to the UN Secretary General. The "principles of effective global and regional military-political stability" declared in this message also presuppose measures for mutual disarmament. This is precisely why Russia officially took over from the USSR the baton of reducing the military potentials of states and easing the level of international tension, it confirmed the commitments under international treaties and agreements to which the Soviet side was a party, and also signed in January 1993 the Russian-U.S. Treaty on the Further Reduction and Limitation of Strategic Offensive Arms (START II). Thus, the track taken by Russia in the sphere of the disarmament process is in line with the one which the USSR followed during the last years of its existence. But the different military-strategic conditions in which Russia now finds itself demand of it the elaboration of new concepts and approaches toward the solution of problems concerning the arms limitation and reduction.

Nuclear Disarmament Problems

The SALT I and SALT II Soviet-U.S. agreements in the strategic arms limitation sphere were underpinned by the principle of equality and identical security which was agreed by the sides. Its main criterion was the ensuring of military-strategic equilibrium. This, in the sides' opinion, not only coincided with the security interests of the partners in the talks but also promoted the stabilization of the world situation.

But the last Soviet-U.S. Treaty on the Reduction and Limitation of Strategic Offensive Arms (START I) contained provisions making it possible to bypass this principle if necessary.

The Treaty's shortcomings included not only the universally known national count of weapons which totally negated the sides' initially proclaimed intention to reduce their strategic potential by one-half, but also a series of provisions placing the sides in unequal conditions.

For example, the Treaty imposes stricter limitations on land-based ICBM's which have traditionally been the foundations of the USSR's (and now of Russia's) strategic might. At the same time, the most liberal interpretation has been applied to reduction requirements for heavy bombers, in which the United States enjoys a threefold advantage.

There is absolutely no justification for excluding from the Treaty's effect the strategic sea-launched cruise missiles, which are objectively more advantageous for the United States.

The Soviet side simply failed to obtain agreement from its partners at the talks that the ABM Treaty should be observed while the START I Treaty is in force. Consequently, the United States retained the possibility to change the strategic potential to its advantage by implementing the SDI program.

The START I Treaty has still not come into force. Despite this, a new—now Russian-U.S.—Treaty on the Further Reduction and Limitation of Strategic Offensive Weapons (START II) was signed in January 1993 following comparatively brief talks. But this treaty is not flawless.

Suffice it to mention its provisions on the procedure for the conversion of ICBM's and submarine-launched ballistic missiles from multiple-warhead to single-warhead and the "reorientation" of 100 U.S. heavy bombers "for the performance of nonnuclear tasks."

The START II Treaty's provisions potentially offer the U.S. side an opportunity to re-install more than 4,500 nuclear warheads on strategic delivery platforms within the briefest of time frames. Bearing in mind that the total number of nuclear warheads the sides may hold after the reductions should not exceed 3,000-3,500 units, Russia runs the risk of finding itself in a situation whereby the United States, having for some reason denounced the START II Treaty, could very quickly double its strategic nuclear potential. Under the terms of the Treaty, Russia, should it wish to do the same, would not be able to boost its potential by more than 500 units the same way.

Nonetheless, Russia has ratified the START I Treaty and has expressed readiness to ratify the START II Treaty with all their shortcomings and positive aspects.

At the same time, it is perfectly clear that the process of the limitation and reduction of strategic arms will be

continued. At some stage it will be joined by other nuclear powers. On what basis should these talks be conducted? What should be their ultimate goal?

The question of complete elimination of nuclear weapons will hardly be raised in the foreseeable future—the other nuclear powers are not raising this task even as an idea. The agenda will evidently include the question of arriving at some maximum level for strategic nuclear arms to correspond with the so-called "minimum nuclear deterrence." Back in the past the USSR expressed readiness to support this idea and to discuss and agree its strategic meaning and basic criteria. It might possibly be useful to repeat this attempt. Nevertheless, regardless of whether this concept will be discussed on a multilateral or bilateral (with the United States) basis, Russia will have to determine: What, in its military-strategic position, should be meant by "minimum nuclear deterrence," and this should be the subsequent guiding principle when elaborating positions for talks on strategic nuclear arms and on nuclear arms in general. This will help prevent any reduction of Russian nuclear forces below a certain critical limit. It would not go amiss to also appraise the extent to which this criterion corresponds with the START I and START II Treaties.

When accepting the concept of "minimum nuclear deterrence" at the talks, it is necessary to bear in mind that this decision will inevitably necessitate the examination—either in parallel or jointly with strategic nuclear arms—of the questions of tactical nuclear arms, especially if they are deployed so as to reach targets on the other side's territory, including ship-based weapons, as well as the unconditional observance of the ABM Treaty.

Limitation of Conventional Armed Forces and Their Armaments

The consistent process of disarmament must certainly become the normal policy of any peace-loving state in the post-confliction period. Furthermore, the outbreaks of interethnic and other regional conflicts testify that the reduction of the potential of conventional armed forces and armaments is a task as important as that of reducing strategic and tactical nuclear potentials.

The continuation of talks on conventional armed forces and armaments is especially topical for Russia. It is necessary not only because it is becoming increasingly difficult to man and maintain such large armed forces, but also because we will have to honor commitments under the 1990 Treaty on Conventional Armed Forces in Europe, the party to which was the Soviet Union and not Russia. This is not the same thing.

Therefore, strictly speaking, following the disappearance from the military-political arena of one of the collective parties to the Treaty—the WFO—and later on of the USSR, new talks ought to be held on the reduction of conventional armed forces in Europe and a new accord ought to be reached taking into account the sharp changes in the situation in this important region of the planet.

On 8 July 1992 Russia ratified the Treaty, under which it also committed itself to the stage-by-stage reduction of the numerical strength of its Army and Navy from 2.8 million to 2.1 million men by 1995 and to 1.5 million men by the year 2000. At the same time, the NATO states did not embark on any limitation and reduction of the numerical strength of their armed forces and firmly refused to take naval forces—one of the most important components—into account when determining the military-strategic balance. Enjoying undisputed superiority in naval armaments capable of delivering strikes against land-based targets (carrier-borne aviation, sea-launched cruise missiles), NATO was unwilling to lose this "imbalance." This position is most typical of the entire "Western" approach toward talks on the limitation of conventional armed forces in Europe—it envisaged the elimination of "imbalances" but only in those categories of armaments where the WPO enjoyed the advantage.

It is clear that any potential future talks cannot leave the question of naval armaments outside the scope of agreement, especially as regards armaments designed to strike against land-based targets.

The very fact of the acceptance of commitments under an accord elaborated for another state (the USSR) and for different military-strategic conditions really goes beyond the framework of ordinary common sense, which indicates that Russia ought to accept and honor only commitments which have been thoroughly and specifically elaborated for the Russian conditions. Otherwise the situation may reach the point of absurdity, as it did in 1993 during the withdrawal of troops from Germany and the attempt to deploy them in the North Caucasus Military District. It emerged that Russia could not do this without breaching several provisions of the treaty it had ratified. It also emerged that Russia cannot show any concern for its southern flank as it sees fit, since it is constrained by limitations under this treaty.

Much has been and is being said about the principle of "sufficiency." There is hardly a single state in the world which would declare that the military organizational development of its armed forces is guided by the principle of "insufficiency" or "supersufficiency." Therefore, the term of simple "sufficiency" is meaningless. The term "defensive sufficiency" or "sufficiency for defense" would be more appropriate to the concept of Russia's defense policy. But the meaning of even this term demands thorough elaboration. Only when this term has been given specific content, in line with the Russian state's military doctrine, it can and must provide the basis of positions for subsequent talks on arms limitation.

6. The Need To Improve the Mechanisms for Managing Military Organizational Development

Any political programs of the leadership need a fine-tuned mechanism for their implementation, otherwise they will remain nothing but wishful thinking. In the sphere of military work, we are still nurturing the illusion

that we are talking only of a partial reduction of the Armed Forces and a partial switch of the military economy to the manufacture of national economic output, and that the actual mechanism for managing military organizational development can remain basically the same.

Fundamental documents in the defense sphere are being implemented with difficulty. There is no doubt that the basic provisions of the military doctrine will create the necessary prerequisites for the organizational development of de facto new Armed Forces for Russia, for the reliable protection of its interests, for the elaboration of long-term military-technical policy, for the creation and further development of qualitatively new forces, and for the training and education of the personnel. The military doctrine approved by the president basically ensures that Russia will honor its international commitments on the reduction of armaments and Armed Forces and the maintenance of peace.

The specific application of the military doctrine in the sphere of the military economy is defined in the president's special edict No. 1850 of 11 November 1992.

Whereas only certain clarifying remarks can be made as regards the doctrine's military and military-technical aspects, there are doubts arising as regards the economic mechanism. This is because attempts are being made to retain the old methods of management and adapt them to the completely different socioeconomic conditions now developing in Russia.

Under the former administrative edict system of management, when all elements of the economic organism were not only subordinate to the state but also belonged to it, the main "mechanisms" of management were programs and plans (five-year, annual, and so on). The plans' ratification was followed by the implementation of the principle that "The plan is law and must be fulfilled at all costs." At times it was wrecked, more often than not it was fulfilled, but the "mechanism" functioned.

Now the situation has changed radically. Completely different laws operate in the market economy. Even the Law on Defense, adopted in 1992, enshrines that the state order, in other words the plan issued from above, calls for mandatory fulfillment only in wartime. Financial and economic incentives should be used in peacetime. The budget and the taxation system become the main instruments of management.

It is therefore anachronistic for the military doctrine, in its section on military-technical and economic foundations, to rely on "elaboration and implementation of long-term (up to 10-15 years) programs for armaments and military equipment on the basis of state defense orders financed by the state."

Attention must mainly be given to a comprehensively substantiated and balanced defense budget. It is the budget that brings together the contradictory interests of

various departments involved in the solution of tasks concerning the country's defense. Suffice it to recall the August-September 1993 outburst of passions surrounding the budget at the highest level in Russia. This is why the budget needs independent expert appraisal. It will help the practical implementation of the doctrine's military-political provisions, and it is through the budget that civilian control will be exercised over the activity of the "power departments."

This is why representatives of various nonstate institutions advocate a public discussion of the defense budget, comprehensive control, and prompt accountability for its fulfillment.

The Basic Provisions of the Military Doctrine also contain other weak points, which prompt criticism by the opposition. Indeed, a series of provisions need clarification and amendment to the extent that life and Russia's military-strategic situation will change.

Challenges and Potentials

History's main lesson is that we won World War II but lost the leadership race which is run according to economic rules. Having lost its superpower status, Russia slid headlong to the ranks of developing countries, and now even of regressing countries. For the first time in the last 40 years, we are not threatened by the permanent danger of global military conflict. But the domestic instability, the chaos, the devastation in the economy, and the mentality of losers pose an equal threat to national security.

The fundamentally new political reality of which our country's citizens are becoming painfully aware is that, for the first time throughout its thousand-year history, Russia has become a dependent country. It depends at least on foreign creditors, the dollar-ruble rate of exchange, foreign aid and investments, import deliveries, and raw material prices on the world market. The Russian Federation's foreign policy is no longer fully autonomous. International banks and agreements are largely trying to dictate even our domestic policy. We are virtually without allies in the world.

On the other hands, there are fewer external enemies, too. Russia has joined the system of multipolar coordinates of international security.

The situation is significantly worse within the area of the former USSR. Interethnic conflicts have flared along the borders. The former military-political and economic alliances and institutions have been destroyed, new ones have either not been created or are not functioning. The national pride of Great Russians has been denigrated.

The choice that society and the state now have to make is not free, either. Today we have to choose from a very limited number of options:

- either Russia will remain a fully dependent country,
- or it will remain partially dependent,

—or Russia will strive for full independence.

Having decided this crucial issue for ourselves, we will be able to choose the sole scenario for the further development of events.

It appears that only the second option is the most realistic. It presupposes development based mainly on reliance on our own strength, but with a high degree of external aid. But our future freedom in decisionmaking will be limited in proportion with the degree of dependence.

To paraphrase W. Churchill's famous sentence, it can be said about Russia that we no longer have any friends, we have only partners. Whether we like it or not, this world is based on respect for the strength of authority and the might of the state. Unfortunately, we cannot expect the former respect without having the former might. Consequently, the most important task of Russia's leadership over the next few years is to restructure the economy, modernize fixed production assets, and reduce the energy- and materials-intensiveness of production.

The economic, financial, political, and military might can be boosted only on this basis. Only a program for steady economic growth over the next 10-15 years can ensure significant progress in the Russian economy's successful reform.

Democracy is fragile. All countries that have traversed the long path of nurturing genuine democracy know that a young democracy, unless it is legally, economically, and sociopolitically protected, is as a rule doomed to degenerate.

This is the mortal danger at present.

All this is aggravated by the fact that the new structure of life we are building in Russia is still far away from genuine diversity. The social base of reforms remains narrow. The shaping of a genuine middle class—the foundation of future stabilization—took the wrong path from the very beginning.

The restoration of our domestic viability in the sphere of productivity, investments, technology, education, and energy is the most important task for ensuring both domestic and external security, stability, and independence. This is the basis on which the new nationwide ideology should be formulated.

The government, local administrations, and Federal Assembly deputies must realize: We are living in a changed and changing world. The independent states' economies can no longer remain strictly national. Differences between domestic and foreign policy are fading. In our relations with CIS states it is important to convincingly demonstrate the role of destructive economic nationalism and cooperate with them in the quest for peaceful ways to resolve ethnic crises threatening stability in Russia, Europe, and the world.

It is also necessary to be aware that, having failed to organize our own efficient production of competitive goods, we are forced to import them from abroad thus creating additional jobs over there rather than at home and dooming our own workers to unemployment and poverty. The opposite also applies. This is why the majority of social problems and crises in 1994 will be associated with the economy and with domestic and foreign policy. The realization of this is already halfway to solution, and the adoption of correct decisions is halfway to success. The other half will be determined by Russia's citizens—their mood, new incentives for labor, discipline, and entrepreneurship, respect for the law, and faith in reform. Hundreds of correct laws may be promulgated, the world's best constitution may be adopted, but we will not extricate ourselves from the system's crisis unless man feels the need to live and work better.

The central problem in 1994 is to restore the prestige of state power and create an effective mechanism for the laws' operation and for monitoring the fulfillment of adopted decisions.

National security begins with reliable protection of Russia's citizens against any attacks and infringements. It is necessary to radically review the attitude toward this question, because the problem of human rights stands right behind it. Why should the assassination of one U.S. citizen in any country immediately result in inevitable and effective sanctions, while the assassination of Russian officers in Georgia and Tajikistan goes unpunished? The state's might was not created in order to remain inactive. The experience of the latest mass operations to impose elementary order in the capital and the country shows that the population will understand and support any actions by the authorities to put an end to crime. This does not in any way contradict the norms of democracy.

Moreover, it ought to be borne in mind that the authority of the Russian Federation's government, Federal Assembly, and president is largely determined by the quality of our ideas, values, and leadership and the competitiveness of our goods in the world market, rather than by superior military might.

We will have to solve the budget deficit problems, curb inflation, strengthen the regime of savings, and increase capital investments. We also need a taxation system and a legislative system capable of boosting production rather than hindering it. The lost heights in the spheres of health care, education, vocational training, and social security must be regained step by step.

Following the disintegration of the former economic ties, there has been a sharp deterioration of the condition of the Russian infrastructure as a whole, and targeted investments will be required there.

The following problems will be inevitably exacerbated in 1994:

—inflation will evolve into galloping hyperinflation;

—the rising prices of energy sources will produce a "domino effect"—a race in prices of foodstuffs, commodities, and services;

—there will be a further slump in production and a series of sectors will come to a halt on a nationwide scale;

—there is a threat of social explosion in the further growth of the strike movement, whose participants will increasingly often, and in parallel with economic demands, make strictly political demands: the government's resignation, the president's impeachment;

—society's corruption will reach an unprecedented scale;

—the rise in crime will take mainly the path of growing numbers of economic crimes and gangster-like formations;

—demographic regression: higher mortality rate, reduced life expectancy, declining birth rate; pensioners and declassé elements will die off on a massive scale;

—unless effective changes are introduced in tax legislation, the gap between the richest and the poorest strata of the population will widen and will exceed all world indicators;

—we can expect a significant increase in the number of Russian-speaking refugees from nearby foreign countries to Russia which will significantly complicate the social atmosphere in many regions. The government will have to firmly apply economic sanctions against neighboring states where the rights of the Russian-speaking population are violated;

—new seats of interethnic conflicts will possibly emerge;

—1994 will see a higher proportion of private trade, free enterprise, and the private sector of production in general. But the banking system will have to be made more flexible and efficient with a view to encouraging the development of production, rather than redistribution;

—potential economic progress in Russia in 1994 will depend largely on the restoration, at a qualitatively new level, of regional and international ties, partnership, and cooperation;

—as national currencies are introduced in a series of CIS countries and the single ruble zone is being destroyed, it is forecast that they will be swiftly devalued against both the ruble and the dollar. Russia could be swamped by the flood of Russian bank notes being sent back. This could be worse than the size of any emission in terms of its inflationary consequences. There will be a need for emergency monetary reform and the introduction of a new ruble backed by the International Russian Bank;

—fresh attempts may be made to secede from the Federation and the separatism of its components may be stepped up;

—Russia today has been bled almost dry and it cannot continue to act as a selfless donor for nearby foreign countries solely on the strength of the inertia of the "proletarian internationalism" ideology. It can be forecast that there will be a tenfold increase of the number of attempts to illegally export commodities and raw materials from the Russian Federation;

—in 1994 the government will inevitably face the problem of building hundreds of border checkpoints along Russia's new state border with all former Union republics, including Cossack detachments and settlements and a firm rejection of border "transparency." Full-scale consulates and embassies will have to be open and a large number of bilateral treaties and decisions will have to be adopted;

—in contrast with the majority of government organizations and institutions, we are forced to forecast something which has been disregarded hitherto: Russia is approaching an ecological disaster;

It is necessary to promptly introduce in Russia tough standards of environmental quality and sanctions for their violation, even including criminal liability;

—Russia's talents have always been and still remain one of its categories of national wealth. The so-called brain drain abroad has reached unprecedented levels at present. The national science, culture, art, and literature have been shunted to the periphery of state interests. It can be said—not just about oil and gas fields but also about the Russian talents—that, by

silently backing this antinational policy, we are "selling off" our grandchildren's heritage and depriving them of prospects for their intellectual and spiritual development;

—Russia's successes in the exploration of space have always been and still remain a matter of national pride. It is necessary to adopt a targeted program for the long-term preservation of science-intensive production units and space research. To encourage private and foreign capital investments in space research and to create new jobs. If we miss the opportunity to adopt radical decisions about the future of science and space research, their degradation will become irreversible and this, in its turn, will slow down the growth of our country's economy and the development of its scientific, engineering, and industrial base.

Thus we can imagine what Russia's future can be like. We want to and can ensure that our great country is dominated by Peace, Spirituality, Democracy, Love for the Fatherland and our neighbor, in accordance with the genuine laws of the development of civilization.

In order to ensure that the proposed strategy becomes reality and part of all citizens' world outlook and is given a chance to succeed, it must be constructively discussed.

Of course, its realization will demand FAITH in our future, TREMENDOUS COURAGE, and mainly PATIENT AND SELFLESS WORK and INSPIRATION. All these qualities are inherent in the Russian people.

Let us then make our Dream a Reality! Russia is a great country, with a great history, a harsh present, but also a great future. We believe that the coming 21st century will be Russia's century.